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# Governmental Affairs

LOS ANGELES TIMES  
31 August 1973

## The CIA Has Its Virtues--as Kennedy Learned During the Cuban Missile Crisis

BY HARRY ROSITZKE

The Central Intelligence Agency's connection to the Ellsberg and Watergate affairs has again raised the question of the agency's proper functions in the foreign affairs of the United States. What does CIA contribute? Do we need intelligence, secret or otherwise? Why spy?

The word "intelligence" in the agency's title covers two widely separate activities: academic-type research and analysis in Washington, and secret operations abroad.

The CIA's main overseas mission is to carry on espionage and counter-espionage work, a mission that rarely warrants notice on the front pages. Its principal function in government, however, is to provide the President with estimates of foreign events and situations that are as objective and as close to reality as is humanly possible.

Such estimates are based upon a solid foundation of evidence and interpretation, the CIA's main day-to-day business. What is happening to the Chilean economy? What popular support do the Greek colonels enjoy? What prompted Peking to wave a friendly Ping-Pong paddle at Washington? What military and economic pressures led Leonid I. Brezhnev into his opening to the West?

Espionage reports per se normally contribute only a small share to the pool of information with which the CIA's intelligence analysts work, but occasionally a single agent-report makes a crucial difference.

A Communist source delivered a verbatim copy of Nikita S. Khrushchev's 1956 "secret speech" that alerted the world to the force and venom with which the new Soviet regime rejected Josef Stalin and his policies. In another case, a few reports from a Soviet colonel in Moscow saved the Pentagon at least a quarter-billion dollars in research and development. Two agents in different parts of the world--both Communist Party members--sent in the first reports of border differences between Moscow and Peking as early as the winter of 1957-58.

The Cuban missile crisis was a dramatic example of the confluence of basic research, analysis, prediction and agent-reports that gave President Kennedy the information needed to make his decisions.

Without a specialist on Soviet crates who could judge what was inside the boxes on the decks of Soviet freighters going to Cuba, without experts on Soviet launching sites, without the previous U2

flights over the U.S.S.R., without detailed military-technical data from a top-level agent in Moscow, without a few sound (among the many unsound) leads provided by agents inside Cuba--without all these, the Soviet missiles could easily have become operational before the President was able to take preventive action.

It is essential, of course, that the intelligence analyst be as free as possible from preconceptions that will prejudice his conclusions. His task, like that of the academic historian or the journalist, is to let the facts, and the facts alone, form the basis for his final judgments.

A major threat to the exercise of unprejudiced analysis in the government is the distorting influence of so-called departmental intelligence--estimates made in the Departments of State and Defense on matters of crucial policy interest to them.

The main virtue of central intelligence is to produce independent national estimates and not leave the estimating function in the hands of the policy-makers.

Any department of the government with policy-making powers is bound on occasion to use the information available to it in support of its own policies. The Department of State, for example, may be inclined to select or highlight facts and interpretations that support the department's or the President's adopted courses of action--say, in the Arab-Israeli conflict or in the India-Pakistan confrontation on Kashmir and Bangladesh.

The Defense Department similarly will tend to overestimate an enemy's capabilities and be constantly alarmed about his intentions. Generals naturally want more and better arms to meet these "threats," and it is around budget time that the military tells Congress and the public about its principal worries: the alarming number of Soviet missiles and launching sites, the impressive size and quality of the enemy submarine fleet, an impending Chinese missile threat.

On these and other crucial information questions, the CIA's independent intelligence function has served over the years to give the President as disinterested and level-headed "estimates of the situation" as only a separate intelligence agency can.

It is not surprising, therefore, that in the great game of counting Soviet missiles the CIA's numbers have consistently been more modest than the Pentagon's.

Some attack all intelligence work, departmental or central--as one

writer did on this page some weeks ago. Such critics appear to be convinced that the intelligence function serves no useful purpose, since the analyst always comes out with the conclusion he subjectively wants.

In my own experience, this is simply not true. The analysts I have known are not only extremely well informed but reasonably self-critical, and, when they differ with each other, the arguments that ensue are likely to shake out any hidden assumptions or political biases one or another may entertain. Intelligence work is a profession, not a bureaucratic game, and personal detachment is a basic element in the profession's ethic.

Yet, intelligence analysts, like historians or journalists, are human and subject to the deeper social prejudices of their time.

In the hysteria of the cold war years, for example, there were few Americans who were not convinced of a real Soviet threat to overrun Western Europe or to blast the United States with atomic bombs. There was never any rational evidence--then or now--that Moscow ever entertained such intentions. During the '50s there were widespread public and private fears--now ludicrous in retrospect--that the American Communist Party threatened the security of the nation. These were human, not academic or bureaucratic, aberrations.

All men, of course, think partly with their stomachs but, fortunately, the CIA's analysts need not--and do not--think first of justifying policies or fortifying budget requests.

What concerns me more than any built-in inadequacy of the intelligence system is the failure of policy-makers to make better use of the information they are given.

The war in Vietnam is a tragic example. A careful reader of the Pentagon Papers will recognize that the CIA estimates on Vietnam were far closer to reality than were the optimistic forecasts of the generals. It was an extensive, detailed CIA study in the mid-'60s that first convinced the secretary of defense that the Vietnamese war would be a long, one and that it could not be won on the battlefield.

Good intelligence does not automatically make for good policy decisions, nor does it make up for bad decisions. Presidents do not make decisions on the basis of intelligence alone, for they work under the pressures of allies, Congress, the American public and domestic interest groups.

If, in the final analysis, the President's decisions are subject to personal inclination or outside influences, that is not a fault of intelligence.

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THE PROGRESSIVE  
September 1973

# The CIA's Dirty Tricks under Fire—at Last

ANDREW HAMILTON

For the first time in more than two decades, Congress is beginning to take a hard look at the Central Intelligence Agency. In the wake of revelations of CIA complicity in the Watergate affair, a serious debate about the Agency is now taking shape, and it could develop into an historic battle over the role of clandestine operations in American foreign policy.

"Clandestine operations" (which should not be confused with the gathering of foreign intelligence) include a wide range of political, propaganda, economic, cultural, and paramilitary activities known within the CIA as "covert action" and "special operations," or, more generally, Dirty Tricks. These operations have included, over the years, such practices as:

- Hidden support and assistance to political parties in foreign election campaigns.
- The establishment of dummy foundations to provide funds for a number of private organizations engaged in scholarship, propaganda, labor, youth, and cultural affairs.
- Establishing ostensibly independent private companies, including a number of airlines.
- Arranging *coups d'état*; supporting, training, and leading private armies and air forces in foreign nations.
- Helping to establish security police organizations in a number of countries, and other Cold War ploys.

The CIA operations amount, in total, to a clandestine American foreign policy under the exclusive control of the President, insulated from public control and even from public scrutiny—not to mention Congress itself.

President Nixon has given a clear signal that he places a high value on covert operations. His new Director of Central Intelligence, William Egan Colby, fifty-three, spent his adult life in Dirty Tricks, beginning with OSS guerrilla operations in World War II and culminating in a twelve-year stint as one of the CIA officials most deeply involved in the Vietnam war.

Colby was CIA station chief in Saigon (and a staunch supporter of President Ngo Dinh Diem) from 1959 to 1961. From 1962 through 1967 he was chief of the Far East Division of the Clandestine Services, the formal title of the operating arm of the CIA. From 1968 to 1971 he was involved with the "pacification" program in Vietnam, first as deputy and later as ambassador in charge. In 1971-72 he was back in Washington again as Executive Director (number three man) at the Agency. When that post was abolished in a reorganization this year, he became head of the Directorate of Operations, which runs the Clandestine Services.

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Colby is a quiet, undemonstrative man—"when he's really mad he's almost whispering," recalls a former employee—whose mild manner conceals the toughness and boldness of a behind-the-lines guerrilla fighter. He has the reputation of being one of the CIA's most resourceful managers of Dirty Tricks. He was responsible, as head of the pacification program, for American participation in the Phoenix program in which thousands of Vietnamese suspects were killed or jailed on suspicion that they worked for the Vietcong.

Senator William Proxmire, Wisconsin Democrat, complained during the recent debate on Colby's nomination that the Senate was being asked to cast a "blind vote." He observed: "We don't really know who Mr. Colby is. We are not allowed to go back into his personal employment history and judge his fitness. We do not know what jobs he has accomplished . . . And we will be confirming him for a blind position [about which] we know very little. . . ."

Although the Senate confirmed Colby August 1 by a vote of eighty-three to thirteen, the decisive battle will begin this fall. Senator John C. Stennis, Mississippi Democrat, has announced that his Senate Armed Services Committee will hold hearings on the CIA's basic legislative charter to determine whether the Agency exceeded its authority in waging war in Laos and in its involvement with the White House "plumbers" in the Watergate affair.

Stennis's Committee is the one whose CIA Oversight Subcommittee has failed to meet for several years, and whose members have rarely expressed any interest in supervising the secret and powerful Agency. But the hearings come amid a growing feeling in Washington—expressed even by Chairman Stennis—that the CIA's Cold War mission as the clandestine action arm of U.S. foreign policy no longer serves the national interest, if it ever did.

The man who founded the CIA in 1947, President Harry S Truman, reached this conclusion a full decade ago. In 1963, he wrote: "For some time I have been disturbed by the way the CIA has been diverted from its original assignment. It has become an operational and at times a policy-making arm of the Government . . . I never had any thought that when I set up the CIA it would be injected into peacetime cloak-and-dagger operations."

Other Presidents have had qualms about the CIA. John F. Kennedy, a former aide once said, wanted to "splinter it into a thousand pieces and scatter it to the winds" after the Bay of Pigs disaster, a CIA-planned operation which Kennedy had approved. Lyndon B. Johnson, hardly a shrinking violet when it came to U.S. exploits abroad, was appalled by the ramifications of some CIA operations. When he took office he learned, according to an account by Leo Janos in the July, 1973, *Atlantic*, that "we had been operating a damned Murder Inc. in the Caribbean." Even Richard M. Nixon, in a 1969 speech to CIA employees, acknowledged that "this organization has a mission that, by necessity, runs counter to some of the very deeply held traditions in the country, and feelings, high

idealistic feelings, about what a free society ought to be."

But President Kennedy, like his successors, soon came to recognize the immense potential of an organization whose acts could be neither traced by the victims nor supervised by his political opponents in Congress. The Kennedy years, in the opinion of one former intelligence official, became "the heyday" for the CIA's covert political intervention in other countries. President Johnson followed by unleashing massive CIA operations in Laos and South Vietnam. And President Nixon, in the same 1969 speech, concluded that the CIA "is a necessary adjunct to the conduct of the Presidency."

What both troubled and attracted these Presidents was not the CIA's "quiet intelligence" activities, but its wide range of Dirty Tricks. In the decade since Harry Truman's warning, little has been done to curb the President's own Back Alley Boys. Except for a handful of progressives, Congress continued politely to look the other way and ask no embarrassing questions. Now, in the lurid light of Watergate, Congress can no longer refuse to take a closer look.

By their very nature, covert operations defy effective Congressional oversight. A handful of men in the House and Senate, senior members of the Armed Services and Appropriations Committees, are the only members of Congress allowed to ask the Agency what it is doing. Their meetings have always been secret, and their deliberations are never disclosed even to other members of Congress. Their recommendations to the Agency, if any, have never been tested in general debate or put to a vote of Congress.

From the time of its inception, the CIA's name has been synonymous with secrecy; no outsider can hope to obtain more than a rough map of its terrain. It is the Agency's practice neither to confirm nor to deny any allegations made about it. CIA employees take the most stringent secrecy oath administered by the Government. This oath has been interpreted by the Agency as prohibiting a present or former employee from revealing anything he has learned while working for the CIA—an interpretation that has won at least partial support in the Federal courts. Victor Marchetti, a former CIA official, is under court order to submit the manuscript of his forthcoming book about the Agency for review before publication, and the Agency has been authorized to make deletions, provided they are not arbitrary or capricious.

But the Agency has found it impossible to remain wholly invisible. The picture I present here was assembled from the public record (which grows longer almost daily), and from interviews conducted over a period of several years with a number of present and former CIA employees, intelligence officials from other U.S. agencies, foreign service officers, Congressional sources, and Administration aides. (While I had a limited contact with CIA intelligence analysts when I served as a member of the National Security Council staff in 1970-1971, I had no contact with the clandestine organization or activities of the CIA.)

The CIA has both a public and a secret charter. The public charter, on which Senator Stennis's hearings will focus, is found in the National Security Act of 1947 and its 1949 amendments (U.S. Code Chapter 50, Title 15, sections 403 ff.). It is the vaguest of charters, stating that the CIA shall "coordinate" intelligence activities undertaken in the interest of national security and shall:

- Advise the National Security Council regarding national security intelligence activities.
- Make recommendations to the NSC for coordina-

tion of intelligence activities.

• Correlate, evaluate, and disseminate national security intelligence.

• Perform "for the benefit of the existing intelligence agencies such additional services of common concern" as the NSC directs.

• "Perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

The last two provisions provide the official rationale for the CIA's clandestine activities, both in collecting intelligence and in performing covert operations. These duties are detailed in the Agency's "secret charter"—a series of top-secret Presidential orders known as National Security Council Intelligence Directives, or "N-Skids."

The Senate Armed Services Committee, which has jurisdiction over the National Security Act, apparently has never seen these documents, though they are essential to an understanding of the CIA's clandestine operations. Colby, the new director, recently promised to make the "N-Skids" available to the Committee, but there is no reason to assume that they will be disclosed to the public.

Section 403(d) also contains two seemingly contradictory provisos regarding CIA activities within the United States. One declares that "the Agency shall have no police, subpoena, law-enforcement powers, or internal security functions." The other states that "the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure."

The first proviso, which the CIA apparently violated in extending assistance to the White House "plumbers," was intended to protect the FBI's turf from CIA encroachment and to restrict the CIA to foreign intelligence activities. The second proviso, however, seems to give the Director scope for a broad range of domestic counter-intelligence activities. Whatever the justification, the CIA has not been reluctant to undertake clandestine operations within the United States.

The Act also permits the Agency to keep secret its budget, organization, personnel strength, identity of personnel, and other operational and administrative details, notwithstanding other provisions of law, and to spend money without regard for normal Government procedures.

Three points about the CIA's charter stand out:

FIRST, the Agency is answerable directly to the President, and to the President alone. (The National Security Council is merely an advisory body made up of Presidential appointees—the Secretaries of State and Defense and the Director of the Office of Emergency Preparedness.)

SECOND, the CIA enjoys extraordinary freedom from public and even Congressional scrutiny.

THIRD, its duties encompass much more than the routine collection and evaluation of information. "The powers of the proposed Agency," warned Secretary of State George C. Marshall in a memorandum to President Truman in 1947, "seem almost unlimited and need clarification."

The CIA grew rapidly from its first days in 1947. ("Bigger than [the Department of] State by '48," was a common boast.) The Agency now has about 16,500 employees (after a seven per cent reduction in force put into effect earlier this year by Director James R. Schlesinger, now Secretary of Defense). In recent years its direct budget has hovered around \$750 million,

including funds for direct expenses and covert projects, but it may now be slightly lower as a result of the winding down of the wars in Vietnam and Laos.

Similar in size, budget, and overseas staff, the CIA rivals—if it does not surpass—the Department of State as an instrument of U.S. foreign policy. In *A Thousand Days*, Arthur Schlesinger, Jr. wrote that in 1961 the Agency “had almost as many people under official cover overseas (i.e., posing as employees of other Government agencies, such as the Foreign Service or AID) as State; in a number of countries CIA officers outnumbered those from State in the political sections (of the U.S. mission). Often the CIA station chief had been in the country longer than the ambassador, had more money at his disposal, and exerted more influence.”

This situation seems to have changed little in the last twelve years. Some recent U.S. foreign policy officials believe that the CIA's overseas employees, both direct and indirect, U.S. nationals and foreign, including those operating under “deep cover”—that is, with no visible ties to the U.S. Government—far outnumber those of the State Department.

For a variety of reasons, the CIA's direct budget (including project money) does not begin to tell the full story of the Agency's size or role within the Government:

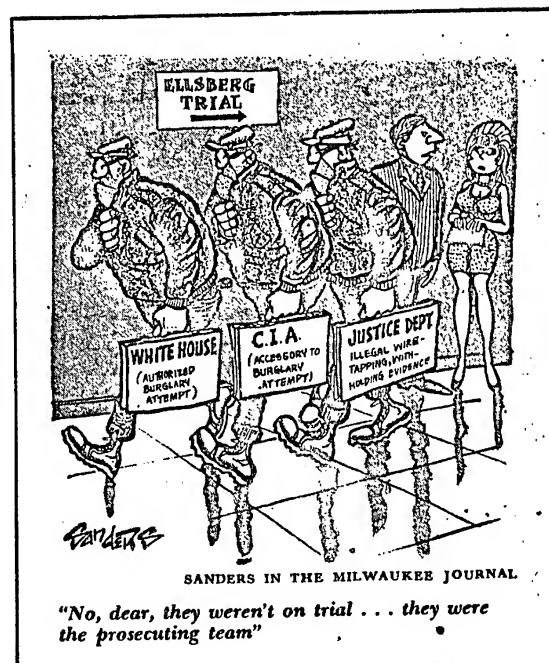
- In large overseas clandestine operations, such as the war in Laos, covert activities in Vietnam, and the Bay of Pigs invasion, direct Agency costs and project funds represent only a fraction of the total costs to the U.S. Government. The staff of the Senate Foreign Relations Committee found earlier this year, for instance, that of the \$375 million ceiling set by legislation for spending in Laos (until recently a CIA operation) during the last fiscal year, only \$5.5 million represented direct CIA expenditures, while another \$60 million was distributed by the CIA as project money for support of Laos and Thai irregular troops. The rest of the funds were supplied from the budgets of the Agency for International Development and the Defense Department. (These Laos program figures exclude additional large costs for U.S. air operations in Laos, many of which have been in support of CIA-directed military operations.)

- The CIA has financed, and apparently controls, a number of private corporations which provide cover for covert activities overseas. Of these the largest and best known is Air America. Earnings from these activities are said to be available to the Agency in addition to the annual budget provided from general Federal revenues.

- The CIA has the use without cost, according to former officials, of U.S. military bases and “surplus” equipment, from which it is said to have built up a large worldwide supply and operational base network.

For these reasons alone, the CIA has been called a multi-billion annual operation. But, in addition, the Director of Central Intelligence, in his role as head of the U.S. foreign intelligence community, has responsibilities for coordinating the activities and reviewing the budgets of all U.S. foreign intelligence agencies and operations. In total, these activities—most of them under Defense Department auspices—cost between \$3 billion and \$4 billion a year, not counting the CIA.

These operations include the costly overhead reconnaissance activities of the Air Force (such as spy satellites, U-2s, SR-71 aircraft); communications and signals intelligence, which come under the direction of the \$1-billion-a-year National Security Agency; the analytical staffs and operations of the Army, Navy, and Air



Force intelligence agencies; the Defense Intelligence Agency; the minuscule State Department Bureau of Intelligence and Research; and such miscellaneous other organizations as the National Photo Interpretation Center and the Foreign Broadcast Information Service, the latter of which transcribes and translates overseas radio broadcasts. When the tactical military intelligence operations of the various military commands around the world are included, the annual cost may reach \$6 billion, according to some sound estimates. In cost, personnel, and influence, the foreign intelligence “community” ranks with or above several Cabinet departments.

The CIA is organized into four main divisions, known as “directorates,” each headed by a deputy director. Until recently, these men reported more or less formally to the Executive Director, nominally the Agency's number three man. Under Schlesinger's reorganization plan, the post of Executive Director was abolished, early in 1973 and the incumbent, at that time William E. Colby, was made the head of the Agency's largest branch, the Directorate of Operations, which has responsibility for all clandestine activities and for the CIA's eighty-five overseas stations. In recent years this Directorate (formerly called “Plans”) has had about 6,500 to 7,000 employees and a budget of about \$350 million, or nearly half the Agency total.

The other directorates are:

- **INTELLIGENCE**, which collates, analyzes, and disseminates intelligence collected by all U.S. foreign intelligence agencies and also gathered from unclassified sources. The size of this directorate has been estimated to be roughly 3,000 persons; its budget, about \$75 million.

- **SCIENCE AND TECHNOLOGY**, which oversees research and development of technical systems for collecting intelligence, such as spy satellites; analyzes scientific and technical data collected by all sources, and circulates reports on its findings. The personnel strength is estimated at about 1,500; its budget at about \$125 million, not counting large additional amounts (perhaps \$500 million to \$1 billion) spent annually by the National Reconnaissance Office and the Air Force on

technical collection systems.

ADMINISTRATION, under which are lumped such functions as supply, finance, medical and personnel services, training, security, and communications. (Overseas communications appear to have been transferred to Operations under the Schlesinger reorganization.) In recent years, the personnel strength of this directorate has been estimated at roughly 4,500 and its budget at about \$200 million a year.

Former intelligence officials calculate that when support costs are distributed, somewhere between two-thirds and three-quarters of the CIA's direct budget is allotted to clandestine operations. Of these funds, more than half are said to go to various types of covert foreign policy operations—Dirty Tricks—rather than to intelligence collection and reporting by overseas stations.

A separate staff known as the Office of National Estimates supervises the preparation of the intelligence community's principal long-range projections—the series of National Intelligence Estimates which cover such diverse subjects as the strength and organization of the Vietcong and the size, trends, and doctrine of the Soviet strategic nuclear forces. The office is under the direction of the Board of National Estimates, a dozen senior officials from CIA, State, and the military.

In addition, a number of smaller staff offices are attached to the office of the Director. These include the inspector general, general counsel, legislative counsel, cable secretariat, and an office of plans, programs, and budgets. Perhaps the most important of these offices is the Intelligence Community Staff (ICS), recently expanded by Schlesinger and given a stronger role in coordinating the programs and budgets of the entire intelligence community.

The Directorate of Operations constitutes the covert side of CIA, known as the Clandestine Services. Officers of the Clandestine Services generally pose as officials of some other U.S. Government agency or private organization, and sometimes use false names. Except for some minor modifications that may have been instituted in the Schlesinger reorganization, the Directorate is organized as follows:

A number of specialized, functional staffs oversee aspects of clandestine activity. Their names provide some notion of the range of CIA work: Foreign Intelligence (espionage and political reporting); Counter-intelligence (reporting the operations of the intelligence services of other nations); Covert Action and Political Action (secret financing of various youth, labor, cultural and academic groups, operating clandestine radio propaganda outlets, large-scale efforts to influence foreign elections); Special Operations (planning, supporting and directing paramilitary operations); and Technical Services (wiretapping, lie-detector operations, illegal entry, false identities, disguises, and the like).

Most work of the Clandestine Services is carried out by the large regional divisions and their field staffs abroad and in the United States. The major divisions, and some of their activities which have come to light, are:

DOMESTIC OPERATIONS DIVISION, which allegedly recruits agents among foreign students and U.S. residents with relatives in foreign countries. It also interviews Americans planning to travel abroad for pleasure or business and those who have recently returned. (The Domestic Contact Service, which carries out these interviews, was recently transferred from the "overt" side of the Agency, where it was under the Directorate of Intelligence, to the Clandestine Services.) This Division also apparently conducts counter-intelligence activities among East European, Cuban, and other emigré groups in the United States.

WESTERN HEMISPHERE DIVISION. Among the major known clandestine operations of the past twenty years are:

- Overthrowing the Guatemalan government of Jacobo Arbenz in 1954.
- Setting up and supporting a special anti-Communist police agency for the Batista regime in Cuba in 1956. The agency, known as BRAC, soon gained a reputation for brutality and oppression.
- Later backing anti-Castro Cuban exiles in a variety of political and paramilitary activities, culminating in the disastrous Bay of Pigs invasion in 1961.
- Helping to put down an attempted coup in Guatemala in 1961, in part to protect the base of operations for the planned invasion of Cuba.
- Mounting a major covert political campaign to deny leftist Brazilian President Goulart control of the Brazilian Congress in 1962.
- Advising and assisting the successful Bolivian effort to capture Che Guevara in 1966-67.
- Intervening with covert financial and other support for opponents of Salvador Allende in the Chilean Presidential elections of 1964 and 1971.

FAR EAST DIVISION. Largest of the regional divisions, this organization supervised:

- Large-scale clandestine operations by Nationalist Chinese and U.S. agents against mainland China from the Korean War period through the late 1960s. Agents were air-dropped into China—two, Richard G. Fecteau and John T. Downey, were captured in 1952 and freed after the U.S.-China rapprochement of 1971—and guerrillas and political agents were infiltrated into Tibet in the late 1950s.
- The Philippine campaign against Huk guerrillas in the 1950s.
- U.S. efforts to establish the South Vietnamese government of Ngo Dinh Diem after the Geneva settlement of 1954. CIA agents subsequently encouraged (at President Kennedy's direction) the generals' coup against Diem in 1963.
- An unsuccessful coup against President Sukarno of Indonesia in 1958, in which an American pilot, Allan Pope, was captured.
- The arming, training, and operations of an army of Meo tribesmen in Laos during the 1960s.
- Financing and directing a wide range of clandestine and special operations during the 1960s in Vietnam. These included cross-border operations into Laos and Cambodia to gather intelligence and harass North Vietnamese and Vietcong base areas, organizing and paying various mercenary groups, and setting up the Provincial Reconnaissance Units, special Vietnamese teams whose job was to locate and capture (or assassinate) Vietcong political agents. The latter effort, originally organized under the "Combined Studies Division" of the U.S. military command in Vietnam, later became known as the Phoenix program, which Colby headed.

NEAR EAST-SOUTH ASIA DIVISION, now reportedly becoming one of the more active branches of the CIA. The best known CIA exploit in this part of the world was the coup which overthrew Premier Mohammed Mossadegh of Iran in 1953 and returned political power to the Shah.

AFRICA DIVISION. Deeply involved in Congo affairs during the early and mid-1960s, when the CIA supplied pilots (Cuban veterans of the Bay of Pigs), me-

chanics, and aircraft to the government of Moise Tshombe.

• The EUROPE and SOVIET DIVISIONS. One of the first major clandestine operations of the postwar period was the massive infusion of funds to prevent a Communist victory in the 1947 Italian elections. According to reliable sources, CIA continued well into the 1960s to provide a large annual subsidy to the Italian Christian Democratic Party. In Greece, the Agency became deeply involved in internal politics in the late 1940s, and its role, according to sound speculation, is undiminished today.

The CIA and its predecessor organizations also helped organize anti-Communist labor unions in France and other West European nations during the period following World War II. The Washington office of the Clandestine Services provided funds to support an entirely independent underground network established under cover of the international division of the AFL-CIO.

For many years during the 1950s and 1960s the Covert Action staff in Washington ran one of the most remarkable CIA activities: the large-scale subsidization of a wide range of youth, academic, cultural, propaganda, and labor organizations in the United States and abroad. Among the long list of beneficiaries of the payments, which ran as high as \$100 million a year, were the National Student Association, the Asia Foundation, the American Newspaper Guild, Radio Free Europe, and the Congress for Cultural Freedom (which sponsored *Encounter* magazine). The Covert Action staff, under Cord Meyer, Jr., now CIA station chief in London, set up numerous dummy foundations to distribute the money, using a wide number of legitimate charitable institutions as cooperating go-betweens. (One of the dummy foundations was named, by strange and, to me, annoying coincidence, the Andrew Hamilton Fund.)

These subsidies, exposed in 1967, were terminated, but the Covert Action staff remains in business. According to informed sources, its annual budget continued at about the \$100 million level in 1971.

This list of operations is hardly comprehensive. It does not, for example, include such large-scale intelligence exploits as the U-2 project and the first spy satellites, both initiated by the covert side of CIA. But the list illustrates the wide range of political, propaganda, and paramilitary operations which the CIA has carried out, in deepest secrecy, at White House behest.

Two points stand out: These operations were often mounted not against hostile countries, but against neutrals or allies. And they frequently resulted in creating and sustaining repressive regimes. The CIA has been accused by well-informed U.S. officials of helping to establish "anti-subversive" police units in a number of countries which have then used them to repress all liberal political opposition.

Informed sources estimate that of the roughly \$350 million annual budget of the Clandestine Services in recent years, perhaps \$225 million—most of it project money—was allocated to covert action and special operations (including \$80 million to \$100 million for Vietnam and Laos). The remaining \$125 million went to support the CIA's Clandestine Services in its espionage and counter-intelligence activities.

As the budgetary breakdown suggests, the road to glory and advancement in CIA is through operations—Dirty Tricks—rather than the patient and often grubby work of collecting foreign intelligence. A number of former high-ranking intelligence officials have complained

over the years about the Agency's tendency to mount "operations for operations' sake."

In theory, CIA covert operations are tightly controlled, and can be engaged in only with the approval of the President, who delegates the task of reviewing suggested operations to a high-level NSC committee consisting of his assistant for National Security Affairs, Henry A. Kissinger; Deputy Defense Secretary William P. Clements, Jr.; Undersecretary of State for Political Affairs U. Alexis Johnson; and the CIA Director. But this group has no staff facilities for a proper review—the papers are handled at the White House by a single CIA official who acts as secretary to the committee—and, in any event, the committee would hardly be disposed to subject CIA plans to close scrutiny.

CIA station chiefs, moreover, enjoy considerable autonomy. An enterprising, empire-building station chief, as one source pointed out, will be on the constant lookout for an opportunity to mount a covert action, perhaps bribing a foreign minister or a key legislator. With sufficient initiative, he can increase his budget and staff and enhance the standing of his station with Washington. In the process, the United States gradually becomes drawn more and more into the internal politics of that country.

"The Clandestine Services," says a former CIA official, "never developed a philosophy that 'our job is to spy.' They have always had the desire to manipulate events."

The CIA's predisposition toward operations has been influenced by the fact that for most of its life the Agency has been headed by men who made their reputations in that field. Allen W. Dulles (1953-61) and Richard C. Helms (1965-1973) were both operators; so was the new Director, Colby. Colby and Helms, before their respective appointments as Director, were both in charge of the Clandestine Services, a job which has generally been filled by forceful men who wielded great, if unobtrusive, influence in Washington. By contrast, the Agency's senior intelligence official, the Deputy Director for Intelligence (DDI), has seldom been a man of comparable stature or influence.

As long as the glory, power, promotion, influence, and White House attention fall on the Dirty Tricks operators at CIA rather than on the intelligence specialists, the inherently unmanageable predisposition of many CIA station chiefs toward operations rather than intelligence work is unlikely to come under control. And as long as operations are the principal source of his influence, the Director of Central Intelligence can hardly be faulted for taking a narrow view of his job. In theory, he wears at least three hats: He is the top operator; he is the nation's senior interpreter of foreign intelligence; and he heads the vast but amorphous community of U.S. foreign intelligence agencies. In practice, however, recent directors have not fulfilled all roles equally well.

For several years, White House foreign policy experts have sought improvements in intelligence analysis and management of intelligence budgets and activities. In November, 1971, President Nixon ordered a reorganization of the intelligence committees to address these problems. He gave the Director of Central Intelligence power to oversee the budgets and activities of all intelligence agencies, including those under the Defense Department. The Intelligence Community Staff was expanded and an Intelligence Resources Advisory Committee (IRAC) was established with the Director as chairman. At the same time the National Security Council set up an Intelligence Committee to review the quality of intelligence reports.

Director Helms, in the White House view, failed to make the reforms work. This was a factor in the deci-

sion to replace Helms (now Ambassador to Iran) with James Schlesinger, author of the 1971 reorganization plan.

Schlesinger's background seemed admirably suited to the broader concept of the Director's job. He was not only a management expert but also an economist and defense intellectual, with a background at Rand Corporation, where he had a reputation as a forceful analyst. But the Watergate scandal forced shuffles. Schlesinger became Defense Secretary. Colby, his successor, is not considered by intelligence experts to be as well-equipped to manage the intelligence community, or to improve the quality of analysis. His appointment appears to have shelved or diminished the ambitious reforms envisioned by Schlesinger. Instead the appointment of Colby put the spotlight back on operations.

When Congress confronts the CIA this fall, it should recognize that it is time for the United States to end all Dirty Tricks operations—by the CIA or any other organization. Such operations, a standard part of the U.S. foreign policy repertoire since World War II, have become more than occasional embarrassments: They are now a distinct liability to the nation's foreign relations. And they present a serious threat to constitutional government in the United States.

The reasons for ending clandestine operations are not just moral but practical as well. The moral objections to covert action are obvious. Intervening in another nation's internal politics violates the principles to which the United States professes to adhere when it establishes diplomatic relations. And covert intervention offends the general principle that nations, like individuals, should be accountable for their actions.

There are at least two practical objections. The first is that clandestine operations have a corrupting influence on American politics and foreign relations. They undermine the credibility of the Government at home and abroad. Their inherent secrecy violates the principles of accountability in the American political process. Available recourse to clandestine operations breeds contempt for more arduous—but legitimate—methods of achieving objectives. As Watergate has demonstrated, an easy familiarity with clandestine operations and a ready access to persons and techniques used in clandestine operations can become a direct threat to the American political and legal system.

It has been evident for some years that the American political establishment is deeply divided on the directions and the tools of foreign policy. Politics no longer stops at the water's edge. No more vivid demonstration of this division is needed than the recent votes in Congress to end the bombing of Cambodia and to limit the President's war-making powers. In these circumstances a clandestine foreign policy becomes a danger to domestic politics. To prevent leaks, the circle of people in the know is drawn ever smaller. In the process, the definition of the national interest becomes more narrow, and more directly associated with the political fortunes of the party in control of the Executive branch.

As the confusion between the national interest and political advantage spreads, distrust of the opposition grows to paranoid dimensions. Political operatives find it difficult to discriminate between domestic opponents and foreign agents. In this paranoid state, they have no difficulty justifying the resort to espionage and Dirty Tricks—originally developed to fight a clandestine war against alien enemies—against their domestic political opponents. The existence of occasional proof of similar skullduggery on the part of their opponents merely intensifies the psychosis. The result is an indiscriminate intermingling of domestic politics, foreign policy, and

covert operations—a common theme in the Watergate affair and associated cases.

If the corrupting effect of clandestine operations is one practical objection, a second is that when they do not fail spectacularly, they are often ineffective. The successes of the CIA in clandestine operations may be, as several Presidents have hinted, substantial. But these successes would have to be of phenomenal value to outweigh the general damage which results from the CIA's blunders, from the widespread assumption that the Agency meddles everywhere, and from the exposure of those operations which have come to light over the years.

An outright ban on the CIA's clandestine operations would result in a cut of as much as fifty per cent in the Agency's budget, an annual saving of perhaps \$300-\$400 million, not counting the savings of substantial additional funds diverted from other agencies for covert CIA activities. The more important effect, however, would be a much needed redirection of the efforts of the Agency's overseas staff (which could be greatly reduced in size) toward collection of intelligence.

Since many CIA operatives already work under diplomatic cover at U.S. embassies, it might prove feasible to transfer activities devoted to gathering intelligence—not to operations—to the State Department. (The far smaller British Secret Intelligence Services come under the control of the Foreign Office.)

Such steps would go a long way toward restoring the primacy of the Department of State in foreign relations, and toward putting clandestine activities under an official directly responsive to the Congressional committees responsible for foreign relations. Under the present system, decisions on the use of the Clandestine Services are made by the President, who is not directly answerable to any committee of Congress, and operations are the responsibility of the Director of Central Intelligence, who answers to the Armed Services and Appropriations Committees, neither of which has principal responsibility for oversight of foreign relations.

Freed from his weighty operational responsibilities, the Director of Central Intelligence could begin to devote full time and attention to improving the management of the intelligence community and upgrading the quality of analysis.

Finally, it would be feasible to set up a more broadly representative system for Congressional oversight of intelligence activities by the CIA and other agencies, since the risk of compromising sensitive foreign policy operations would no longer exist. This could be accomplished by creating new House and Senate committees, as recommended by Senator Proxmire and others, or by setting up a joint committee on intelligence, along the lines of the existing joint committees on economic policy and atomic energy.

In sum, the Congress should:

- Repeal CIA's vague authority to carry out "other functions and duties related to intelligence," as directed by the National Security Council.

- Substitute, if necessary, language authorizing overseas and domestic activities strictly for collecting foreign intelligence, plus such counter-intelligence activities as are required overseas (leaving domestic counter-intelligence to the FBI).

- Consider placing the Clandestine Services under the operational control of the Secretary of State, either by requiring that he be responsible for reviewing and authorizing clandestine activities, or by transferring the CIA's intelligence collection functions to the State

Department.

- Deny CIA all project funds for covert action or special operations, but allow limited secret funds for intelligence purposes only.
- Require the CIA to divest itself of ownership or control of such organizations as Air America.
- Clarify and strengthen the statutory powers of the Director of Central Intelligence by giving him explicit authority in law to review and make recommendations to the President on the budgets and programs of all U.S. foreign intelligence activities.
- Require disclosure of the overall expenditure of the CIA and other intelligence agencies, with reasonable accuracy allowing a little leeway for security purposes.
- Establish a committee or committees of Congress to oversee the programs and authorize the budgets of all U.S. foreign intelligence agencies, including the CIA. An effective oversight committee is essential to insure that a Congressional ban on clandestine operations is honored by the President. Given the fine line between some types of intelligence gathering and the clandestine manipulation of events, it will be impossible to draft a law which closes all loopholes through which small-scale operations will be undertaken. Thus vigorous oversight will provide the only reassurance that the spirit of the law banning Dirty Tricks operations is being observed. The committee should include, but not be restricted to, current members of the Foreign Relations and Armed Services Committees of the Senate, and Foreign Affairs and Armed Services Committees of the House.

The committee or committees should have automatic access to all finished intelligence reports published by any intelligence agency, and these classified reports should be retained at the Committee for review by all members of Congress. This would provide Congress with an intelligence library, which it now lacks, and could considerably improve the quality of understanding and Congressional action on foreign policy and de-

fense questions.

It is by no means certain that a majority of Congress is ready to bar all clandestine operations. Such a step would signal a major shift from the way the United States has conducted foreign policy since World War II, and opponents will no doubt argue that it would be tantamount to "tying the President's hands" or "unilateral disarmament." And it might also be argued that a clandestine action agency is more necessary in the 1970s than ever, given the decline of the Cold War with its clear-cut antagonisms, the emergence of a multi-polar world of shifting alliances, and the developing contest among the industrial nations of the world for access to oil and other raw materials. Nor is President Nixon likely to abandon without a struggle a tool which seems peculiarly suited to his approach to foreign (and domestic) antagonists.

Finally, the job of defining clandestine operations so they can be stopped without damaging the capability for intelligence-gathering activities or leaving large loopholes could prove difficult for legislative draftsmen.

These are all important practical considerations. Were the nation really in a state of siege, were *real politik* the only basis for conducting American foreign relations, were there a genuine consensus on the aims and methods of American foreign policy, and were clandestine operations compatible with American democratic institutions and processes, then such reasons might suffice to justify continuing such operations. In the real world, they do not.

The Administration's approach, and that of many influential members of Congress, will be to cope with the CIA's current crisis merely by making its covert operations even more truly clandestine, and by restricting them in size to reduce the risk of exposure. But the only way to clear the nation's reputation, restore credibility, and re-establish a basis for a foreign policy based on broad consensus—and the only way to create a real basis for effective Congressional participation in foreign policy—is to put a firm end to clandestine operations. The divorce must be clear and categorical, and ought to carry the force of legislation—an outright ban on Dirty Tricks.

WASHINGTON STAR  
25 August 1973

## Letters to the Editor

### Nixon and CIA

SIR: As a former employee of the Central Intelligence Agency I am extremely concerned about the harm being done to the Agency by the partisan attitudes of the Nixon administration. The revelations in the Watergate testimony concerning the treatment of the agency and its former director, Richard Helms, and the more recent revelations concerning the abolishment of the agency's Office of National Estimates make it clear that the White House will go to any lengths to bend the agency to its designs, no matter how harmful those designs may be to the national interest.

Helms was appointed director during the period of my employment with the agency and he enjoyed an excellent reputation. It was particularly gratifying to see the top post go to a career intelligence man who would place the good of the agency and the intelligence community above any political considerations. Helms certainly proved his worth in this regard during his several years as director. When he left the agency and became ambassador to Iran I found it impossible to believe the change was voluntary. Why would a career intelligence man with his credentials—who held the top intelligence job in the world—agree to such a lackluster

assignment? The Watergate testimony has shown that he was forced out because he would not allow the agency to be used to cover up White House participation in the scandal.

Now we learn that the Office of National Estimates is to be abolished. And the sin of this prestigious group of analysts appears to be that it did its job too well, producing accurate intelligence estimates rather than ones that supported the predetermined policies of the White House.

Perhaps the saddest aspect of all of this is that the Nixon administration, which after all is with us for only eight years, can, if it sees fit, destroy the effectiveness of a continuing governmental institution like the agency. We are all aware of the irreparable harm that has been done to the Federal Bureau of Investigation. Now much the same thing seems to be happening to the agency. These institutions are absolutely vital to national security, but they cannot function effectively unless they are allowed to function independently.

One final note: Much has been made over the question of how much the President knew about Watergate. I cannot believe that he would have accepted Helms' resignation unless he were fully aware of the reasons behind it. This certainly lends support to those of us who feel the President knew about the cover-up. He would not otherwise have let go of a man of Helms' caliber.

Elliott Bunce,  
Alexandria, Va

TIME

27 August 1973

THE LOSERS

## Watergate: The View from Jail

*Life behind bars has not been kind to Convicted Watergate Conspirator E. Howard Hunt Jr. Only five months into his provisional 35-year sentence, he has become noticeably thinner—25 lbs. by his own measurement—his hair grayer, his eyes listless, and the muscles of his left calf have slightly atrophied as the result of a mild heart attack. He emerges from prison only to tell authorities what he knows about the Watergate break-in; so far, he has testified 19 times before grand juries and congressional committees. For security reasons, on those occasions his legs are put in irons and his wrists are manacled to a chain round his waist. Much of the time,*



WATERGATE CONSPIRATOR E. HOWARD HUNT  
No end in sight for convicted legmen.

however, Hunt broods bitterly in his cell. Last week TIME Correspondent David Beckwith visited him—and sent this report:

E. Howard Hunt shows little reticence nowadays in talking about those whom he considers responsible for the Watergate raid. "I guess it's obvious now," says Hunt, "that the Watergate thing was planned by a small group of people—Mitchell, Magruder, maybe a few others. We were just legmen in that operation following decisions made by others, and yet we're the only ones who have suffered from it so far."

The fate of Mitchell's deputy Jeb Stuart Magruder, who last week pleaded guilty to obstructing justice, particularly irritates Hunt. Says he: "I saw a picture of Magruder taking a river raft

trip, visiting London, preparing to hit the lecture circuit and make some money." He shakes his head, looking down. "I can't for the life of me understand. Here are the prime conspirators walking around on the streets, free on bond. But there's no end in sight for me. I think it's ironic and inequitable."

Hunt still justifies his participation in Watergate and the plumbing activities on grounds of national security. His view of national security, in turn, derives from his unabashed right-wing politics and his almost paranoid suspicion of anyone who criticizes U.S. policies. The break-in at the office of Daniel Ellsberg's psychiatrist, he says, was not to discredit Ellsberg personally but to find out whether Ellsberg "might be a controlled agent for the Sovs [Soviets]." Says Hunt: "He spent a period at Cambridge, and a lot of defectors like [British Double Agent Kim] Philby and others were from Cambridge."

**Farfetched.** Watergate, similarly, evolved from a mixture of rumors and anxieties about security. Hunt still clings to his rather farfetched explanation that Fellow Conspirator G. Gordon Liddy told him "that he had heard from reliable authority that Castro funds were going to the Democrats in hopes that a rapprochement with Cuba would be effected by a successful Democratic presidential candidate. The main purpose of the Watergate break-in was a photographic job—to get lists of contributors and check if any were blind fronts for Castro."

Hunt is not convinced that the discovery of the break-in team at the Democratic National Committee headquarters was an accident; he thinks he smells a trap. "There were just too many fishy things that occurred. What was the [plainclothes] mod squad doing out on the street some two-three hours after they were supposed to be off duty?" Hunt also suspects that Alfred C. Baldwin, who was the break-in team's lookout and who monitored the bugs from a Howard Johnson's motel room across the street, might have been a double agent.

"Baldwin was a very convenient fellow. He had a girl friend at the D.N.C., and he somehow came up with the floor plan of the D.N.C. headquarters. He was never checked out at all—McCord got him off a job-wanted list of former FBI agents. He didn't do his job; he didn't alert anybody about the police

until they were running around the D.N.C. with their guns drawn."

As for James W. McCord Jr., the conspirator who first started spilling the story of high officials' involvement, Hunt now portrays him as a bungler, "an electronic hitchhiker who shouldn't have been allowed on our operation." He says the bugging apparatus that McCord had bought was faulty and secondhand, even though McCord billed Liddy for new equipment. While he was inside the Watergate, McCord turned down his walkie-talkie or turned it off, apparently to conserve batteries. "There were just too many things that went wrong for them all to be coincidence," says Hunt darkly.

Hunt vehemently denies that he and his wife were attempting to shake down the White House for hush money. "Every time I hear the word blackmail it makes my blood boil. It wasn't blackmail or hush money ... It was maintenance payments and lawyers' fees, the same sort of arrangement that the CIA gives its agents who are captured. We had no silence to sell. We knew the grand jury would be impaneled following the trial, and that we would be immunized and forced to talk. Just because John Dean thought he was paying hush money doesn't make it necessarily so. I never heard the term Executive clemency until it started appearing in the news media."

**No Concentration.** Hunt, who once had five automobiles, riding horses and live-in servants, now leads a simple existence. At Danbury the prisoners are awakened at 6 in their barracks-style rooms and immediately make their beds, shower, shave and breakfast. At 8 Hunt reports to work in the prison library. At 10:30 there is a 90-minute lunch break, then another three and one-half hours in the comfortable library job. From 3:30 to 5:30 is dinner and free time, when Hunt attempts to answer sympathetic mail.

"Every day you're in prison seems four times as long as a normal day. We have a so-called law library at Danbury, but the latest law books are dated 1947. It's a disgrace. I've read where I'm sitting up in Danbury getting rich, writing a novel about Watergate. But I can't concentrate, especially without a typewriter."

"I haven't written a thing. I sit down with a pad and try to write longhand, but I can't think and I lose interest. I can't believe the money I'm spending on attorneys. It costs me \$1,200-\$1,500 every day I'm in a hearing or legal appearance. Luckily, my notoriety has sparked an interest in my books—I've had 19 titles issued this year, 17 reissues and two new ones—but all the money is going to lawyers."

Is the truth on Watergate really coming out? "Well, a lot of it is, but it's distorted. The Ervin committee questioning is erratic, but I'd better not criticize them because I'll be up there next month."

# Hunt—Mold Spymasters And the CIA

By Frank Getlein  
Star-News Staff Writer

This latest "novel of intrigue" by the now famous Watergate burglar and long-time CIA operative, is technically an immense improvement over the earlier novels of his reviewed here shortly after his confession and conviction as a common criminal. He is able now, as he was not in those works, to sketch out half a

## BOOKS

dozen different sets of characters and intentions in a story and keep them all going more or less simultaneously up until their moments of impact with one another.

HIS PROSE IS better, though his is still subject to imprecision and to what can be reasonably interpreted as a kind of institutional self-gloration and self-pity, the institution being the men of the CIA, humble, faceless agents doing their best for their country and ending, like the hero, facing trial for murder in the beloved country or, like the author, jail for burglary.

Although this book and a memoir to be published later this fall on the Bay of Pigs — an enterprise Hunt was deeply involved in — both bid fair to be best sellers before the year is out, the author still has a lot to learn about his chosen field from its masters: Le Carre, Chandler, Hammett, above all the Graham Greene of the early novels, the "entertainments."

Hunt is not a first rate spy novelist any more than he has been a first rate burglar or a first rate stager of counter-revolutionary invasions, but the novel is important in another sense: it offers us a chilling glimpse of the mind and motivations of one of the principal architects of Watergate and hence, quite possibly, the essential rationale of the whole apparently idiotic escapade.

**THE BERLIN ENDING.** By E. Howard Hunt. Putnam. 310 pages. \$6.95.

**THE HERO OF "Berlin Ending"** bears a number of resemblances to his creator, besides the self-gloration-self-pity already noted. Neal Thorpe is ex-CIA and dulled by the lack of action, of "romance" in his straight life re-doing Georgetown houses.

Through a chance meeting at National Airport, he becomes involved in a far-reaching scheme of the Kremlin spymasters to install their man as the next secretary general of the United Nations and becomes himself an agent of an America-led international effort by individual agents or former agents from Washington, Helsinki, Tel Aviv and Paris to thwart the dread Reds.

It is in managing all these bits and pieces of a conspiracy and a counter-conspiracy that Hunt shows his chief improvement over the old days when he simply took a hero of his own type and followed him scene by scene. Also, once you get over the initial incredibility of Hunt's premises, you do keep reading to see how the story comes out, which is more than the earlier work got you to do.

The incredibility stems from the central Soviet device discovered by Hunt's CIA people, Thorpe and an aging, retired, almost legendary agent, Alton Regester.

**REGESTER HAS** concluded that the Soviets employ "Agents of Influence" in other countries, people with long-established identities in their host countries but with some ancient Soviet connection that gives the Reds absolute power over them.

The four principal Agents of Influence that Thorpe and Regester fight against are a German foreign minister clearly modeled on Willy Brandt, the man the Kremlin wants as U.N. Secretary General; a French television

commentator and hero of the resistance and the Spanish war, less closely based, perhaps, on Andre Malraux; a Spanish cardinal in the Vatican who engineered Pope John's meeting with Krushchev's son-in-law, and finally a New York Jewish private banker with a mutual fund bearing his own name: Your guess.

The point, however, is that if a Soviet directed Agent of Influence is the only reason you can think of for Pope John's opening to the left, for Willy Brandt's window to the east, for Malraux's (?) assorted leftish views throughout his life, for a New York capitalist's support of non-reactive views in general, then you are ready for Watergate.

**IF ALL ACTIONS** and statements in the West that can be interpreted as less than bitterly, implacably hostile to communism are the result of Agents of Influence, then, clearly, George McGovern, Larry O'Brien and Daniel Ellsberg's psychiatrist were all Agents of Influence. Bring on the red wig, the bugs and the camera.

Hunt may make his fortune from book sales based on his bungled burglary, but the real bonanza lies still ahead: Watergate as a musical comedy: Only Hunt could write the book.

NEW YORK TIMES  
18 August 1973

### BITTMAN RESIGNS AS HUNT'S LAWYER

WASHINGTON, Aug. 16 (AP) — William O. Bittman, a Watergate defense lawyer who testimony says was paid thousands of dollars in a clandestine cash drop, withdrew Thursday as the attorney for a convicted conspirator, E. Howard Hunt Jr.

A motion approved by Federal District Court Judge John J. Sirica gave no reason for the withdrawal, but said Hunt had approved and had retained new counsel.

Austin Mittler, an associate of Mr. Bittman, also withdrew. Mr. Mittler said the withdrawal was a "mutual understanding" reached between Hunt and the two attorneys.

During the Senate Watergate hearings, Anthony T. Ulasewicz, an undercover operative for the White House, testified that he paid \$25,000 in fees by leaving the money in a brown envelope near a telephone booth in the lobby of Mr. Bittman's office building.

He said he had called Mr. Bittman and observed from inside the booth while he picked up the payment. The money came from funds put together by Herbert W. Kalmbach, then President Nixon's personal attorney.

Hunt's new attorney, according to the motion and confirmed by the lawyer's office, is Sidney Sachs of Washington. He was not available for comment.

BALTIMORE NEWS AMERICAN  
6 August 1973

# Watergate's Hunt Cashes in On Cloak-and-Dagger

THE BERLIN ENDING. By E. Howard Hunt. Putnam, \$6.95.

Reviewed by VICTOR WILSON  
Newhouse News Service

For some 32 years E. Howard Hunt has been trying unsuccess-  
fully to scale the literary heights, but out of gold awaits any writer who  
make the climb.

This month at last, the gold will start pouring in when Hunt's 44th novel is published by a top-rung publishing house with a heady roll of publicity drums.

But by an ironic twist of fate that any author would scorn to use, Hunt will celebrate his luck in a narrow cell at the Danbury, Conn., Federal Prison.

As is probably known even in the steamy jungles of Guatemala, where Hunt once operated under cover for the CIA, he's in jail awaiting his eventual fate as a convicted principal conspirator in the Watergate affair.

As Hunt paces his cell, his latest book will be published Aug. 28. Perhaps before, or simultaneously, eight of his earlier spy novels will hit the paperback stands.

Another prestigious publisher is rushing Hunt's 45th novel, based on his CIA exper-

ience at Cuba's Bay of Pigs, toward the presses. And the word in publishing circles is that most of the rest of Hunt's largely ignored earlier works on the art of spying and international intrigue are being prepared for the paperback market.

If things turn out better than did the fiasco at Democratic National Committee headquarters at the Watergate Complex here June 17, 1972, Hunt just may prove to be the hottest literary property in the 1973-74 market.

How much pleasure Hunt's realized pot - of - gold - at - last will produce is in the hands of Federal Court Judge John J. Sirica. The judge sentenced Hunt and six co-conspirators in the break-in to indeterminate jail terms, punishment to be based on the degree of their co-operation (the CIA calls it "singing") with federal prosecutors. Rumor here has it that Hunt very probably will wind up eventually as a willing witness before Sen. Sam Ervin's Watergate Investigating Committee.

Meanwhile, other rumors report that the 20-year ex-CIA veteran either (A) tried to shake down the White House

for a cool million to remain silent, or (B) that he received \$100,000 in hush money for himself and the other defendants but stashed it for himself, or (C) both.

One would never guess after reading an advance copy of "The Berlin Ending" that its author would go in for such "dirty tricks"—except perhaps against Russian agents.

The plot can't be discussed until publication date, though "Publisher's Weekly," allowed an advance peek for guidance to book-sellers, described it as a "thoroughly professional, fast-paced work."

While awaiting his own fate, Hunt at least will savor the satisfaction that the two upcoming novels, as well as all the reprints of paperbacks, will be under his own name.

Putnam's book, in fact, prints his name on the jacket in type as tall as the title itself, calling it "A Novel of Intrigue By One of the Watergate Seven." Only his first three books came out with Hunt's real byline, and then he went in for different paperback pen-names. Hunt still prefers, apparently, to keep all but a few facts about himself to himself. In its advance

publicity, Putnam says that prior to his 20 years with CIA, he served with the Navy in World War II, saw service also during that conflict with the Office of Strategic Services (which preceded the CIA), and that he worked for the March of Time, a defunct radio news-fun Life magazine.

The CIA never discusses former agents. But reports have it that Hunt, while serving in Guatemala, tried to enlist troops training for the Cuban Bay of Pigs adventure to help keep a right-wing Guatemalan president in power. And that earlier, on service in Uruguay, he attempted a deal with that country's president to intervene with the U. S. when his tour was up, and ask that Hunt be kept in Uruguay.

But perhaps Hunt is trying to tell us something by a spy's maxim, credited to one Galtier-Boissiere, which he uses on a separate page just after the frontpiece of his new book:

"It is in the political agent's interest to betray all parties who use him, and to work for them all at the same time, so that he may move freely, and penetrate anywhere."

THE NEW YORK TIMES BOOK REVIEW

26 Aug 1973

## Criminals At Large

By NEWGATE CALENDAR

The Howard Hunt who has written THE BERLIN ENDING (Putnam's, \$6.95) is the E. Howard Hunt of Watergate. "The Berlin Ending" is typical of his previous books, with cold-war elements, the CIA, a touch of romance. And some of the stiffest writing this side of E. Philips Oppenheim.

Hunt is a made rather than a natural writer. He has his little tricks. One is to drop place names: "Driving from the DST parking lot, he steered into traffic speeding west along the Seine. He passed the Tuilleries, the Grand Palais and UNESCO and just short of the Trocadéro turned north to Avenue Kléber."

A touch of French is always elegant: "Bon, mon vieux. Bien réussi." On his own, Hunt has a flat style heavy with platitudes. "Five hours, Leroux said half-aloud. Five hours from now the stage will have been set. The time has come to study for my entrance," As for dialogue, well: "It never happened," she said huskily. 'Some day' . . ."

It's all really pretty bad. At the end there is a completely unconvincing shift in the orientation of one of the main characters—a shift for which the author has not prepared the reader or even (one imagines)

himself. This sequence is supposed to be ironical. Instead, it is merely grotesque.

The CIA also figures heavily in Blaine Littell's THE DOLOROSA DEAL (Saturday Review, \$5.95). Littell is as sophisticated as Hunt is clumsy. He has come up with a lively novel involving a black agent, a fiery Israeli girl, a racist demagogue and a close look at young radical leftists. Littell is interested in the relationship of Jew and Arab, but he never lets sociology or politics interfere with the smooth flow of his story.

# Something to Miss on a Rainy Day

## Book World

THE BERLIN ENDING: A Novel of Discovery.

By Howard Hunt

(Putnam's, 310 pp., \$6.95)

Reviewed by  
Laurence Stern

The reviewer writes for the  
national desk of The Washington Post.

Howard Hunt is a loser with a humid fantasy life who was subsidized by the American taxpayers, unknown to them until recently, for the better part of a quarter-century. By moonlight, he has been a prolific manufacturer of pulp-grade spy novels, nearly four dozen in all.

He has emerged from the Watergate scandal as a broken man, a convicted bungler. Instead of targeting on the enemies list, he came homing in, like a wayward missile, on the President and the White House.

Failure is not new to Hunt. He played an important role in an overseas version of the Watergate fiasco, the Bay of Pigs horror. Hunt played with Cuban emigres as small boys do with double-edge razors. He and those closest to him always ended up getting cut.

And so it seemed necessary to have a vicarious life in which he succeeded, or at least didn't make such an ignominious mess of things. Howard Hunt escaped into bad novels.

Neal Thorpe, the pasteboard hero of "The Berlin Ending," is Hunt's fictional self-idealization. He combines the muscularity of Steve Roper with the political overview of Daddy Warbucks. "Without the condiment of excitement his life was as tasteless as boiled beef," writes Hunt of his fictional surrogate, Thorpe. "Excitement," it quickly becomes evident, is the pursuit of fantasies that most men leave behind with other memories of prepubescent life, such as their tenderfoot badge or first overnight.

This is not to suggest that Thorpe-alias-Hunt is an innocent. He appears, rather, to be a case of arrested development. He was bored and dissatisfied with himself and so he had to escape into action. There are shades

here of Arthur Bremer. (Hunt in 1960 proposed a plan to his CIA superiors for the assassination of Fidel Castro.)

One of the lessons of Watergate was that men like Howard Hunt, Gordon Liddy, Anthony Ulasewicz and the Cuban bugging squads were circulating about like loaded revolvers at public expense under vague White House auspices, trying to savage the enemy.

Who is the enemy? To the Cuban operative, Bernard Barker, the enemy was whoever Howard Hunt said it was—no holds barred.

The enemy in "The Berlin Ending" was a suspected Soviet "agent of influence" who held the position of West German foreign minister (the resemblance Hunt draws between his KGB-directed villain and Willy Brandt is almost too strong, to be coincidental). The scheme is to destroy the West German principal by compromising him with his Soviet masters.

Hunt is never very far from the Watergate mentality. His catalog of Communist villains is worth describing in brief: a pederastic, opium-smoking French count who is not above strangling stewardesses; a paunchy Russian Jew ("almost the prototype of Streicher's archetypal Jew," writes Hunt with typically jangling redundancy) whose "front" is high international finance; and, finally, the treacherously liberal West German minister, who colludes in the attempted assassination of his own daughter after she learns of his covert Soviet backing.

Hunt's interior life seems to be spun of such stereotypes. How easily Daniel Ellsberg must have fit into this political demonology.

The spy novel that is written by an ex-spy or intelligence operative is common to our fiction. It is a genre that includes such outstanding contributors as Graham Greene, John Le Carre and Ian Fleming.

In Hunt's case, however,

the novel can only be viewed as a piece of psychiatric documentation for the Watergate case. It is far more revealing than anything that Hunt and Liddy may have retrieved from the files of Ellsberg's psychiatrist.

Prophetically, the counter-espionage scheme of "The Berlin Ending" fails in the end. A nice girl who happens to be a CIA accomplice dies needlessly in the attempted execution of the plan. Thorpe has a moment of bitter reflection. Then he lapses into his familiar condition of boredom with himself.

This sounds suspiciously like Hunt's own predicament in his final years at the CIA

when he had fallen into disfavor and was serving out the time required to qualify for a \$20,000-a-year pension.

He was rescued from his ennui by White House aide Charles Colson, who was instrumental in getting him on the payroll, wherein he got an official license to burgle, falsify documents and eventually provide the incriminating link between the Watergate burglary and the Oval Office.

There are undoubtedly those who feel that Hunt, the incorrigible loser, deserves some appropriate expression of national gratitude. Anything but a National Book Award.

NEW YORK TIMES  
31 August 1973

## McCord College Lecture Tour Is Halted by Order of a Judge

By JAMES FERON

Special to The New York Times

NEW PALTZ, N.Y., Aug. 30 day before his next scheduled appearance, at Georgetown University in Washington. —James W. McCord Jr., a convicted Watergate conspirator, ended his college lecture tour, McCord, appearing relaxed, spent only 15 minutes outlining the background of the Watergate break-in before answering questions from an audience of 500 students, faculty members and townspersons across the country.

He spoke last night at Sangamon State University in Springfield, Ill., and planned appearances at 40 other schools and townspeople. The former C.I.A. agent said that he believed President Nixon had authorized the Watergate break-in and also the cover-up. McCord, appearing relaxed, with applause. However, he said that he did not believe that Mr. Nixon should be impeached on the basis of the evidence presented so far.

Before addressing a packed lecture hall here, McCord said: "Attorney General John N. Mitchell and two former Nixon aides, John D. Ehrlichman and H. R. Haldeman, had committed perjury, but that John W. Dean that there would be a hearing, 3d, former White House coun- on the order next Wednesday, a self, had told the truth.

WASHINGTON POST

21 AUG 1973

## The Washington Merry-Go-Round

By Jack Anderson

and Les Whitten

**Spooky Censors** — So far, the Central Intelligence Agency has successfully blocked publication of a CIA expose by ex-agent Victor Marchetti. Now, State Department censors are trying to get a copy of the manuscript from its co-author, John Marks, formerly a State Department employee.

Among the manuscript's secrets: the CIA ordered an informal boycott of a Chinese restaurant in Washington because "Jack Anderson is one of its owners." (In fact, I have a small interest in a Chinese restaurant.)

The book also discloses CIA "spooks" in Chile, and CIA misuse of funds.

MINNEAPOLIS TRIBUNE  
19 Aug 1973

**CIA:**

# Who controls secret eye?

## CIA rates high in public esteem, poll finds

By George Gallup  
Director, American Institute of Public Opinion

Princeton, N.J.

The Central Intelligence Agency received a "highly favorable" rating from only 23 percent of the public in a recent Gallup Poll which sought opinions about law enforcement agencies.

Over-all favorable opinion of the CIA, however, outweighs negative opinion by nearly three-to-one. Little difference was found on the basis of age or political affiliation, as well as on the basis of other major population groups. Following are the national findings from the survey:

By Frank Wright  
Staff Correspondent

Washington, D.C.

Every so often, the country rediscovers the CIA.

This usually happens when one of its secret endeavors is disclosed under circumstances embarrassing to the Central Intelligence Agency and to the president it serves.

No president has been exempt. Under Eisenhower it was the U2 incident. Under Kennedy it was the Bay of Pigs. Under Johnson it was South Vietnam and, at home, the CIA's financial ties with the National Student Association, labor unions, foundations, universities and myriad other domestic institutions. Under Richard Nixon it was the secret war in Laos. To name only a few.

And now, still under Mr. Nixon, Watergate.

Each time the reaction has been the same. The agency, and sometimes the President, it is argued, have gone too far and must be brought under tighter control.

Each time the outcome has been the same. Since the agency was established a quarter of a century ago as one of our first lines of defense in the Cold War, approximately 200 bills and resolutions have been introduced in Congress to either restrict the activities of the CIA or to at least give the public more information about it. None of the bills or resolutions has passed. Only two ever have come to a vote before either the full House or Senate.

The transitory pressure for change never has been enough to overcome the deeply ingrained attitude on Capitol Hill, and across much of the nation for that matter, that to tamper with the CIA and its secret role in our government is to tamper with the national security and that to tamper with anything bearing the label of national security is unthinkable.

The push for restricting CIA activities and for strong congressional oversight of the agency is on again, however. This time it stems from the disclosure during the past few months that the agency gave questionable assistance to the White House investigation of the Pentagon Papers leak and from the claim that the White House tried to enlist the CIA in the Watergate cover-up.

To be successful, the revision effort will have to amend the laws and directives under which the CIA operates and alter the continuing committee operations of the House and Senate.

Highly favorable .....	23 pct.
Mildly favorable .....	44
Mildly unfavorable .....	12
Highly unfavorable .....	7
No opinion .....	14

The findings were based on interviews with 1,544 adults, 18 and older, interviewed in person in more than 300 scientifically selected localities across the nation during the period July 6-9. Interviewing was conducted prior to the appearance before the Ervin committee of Richard Helms, former director of the CIA, Gen. Vernon Walters, present deputy director, and Gen. Robert Cushman, former deputy director.

### The laws

The basic statute is the National Security Act of 1947, which was designed to centralize our armed forces and our spy activities to better meet the Communist threat of that time.

The law created the Department of Defense and gave it control over the Army, Navy, Air Force and Marines.

The law also created the CIA to pull together a sprawling intelligence community consisting of the National Security Agency, which makes and breaks secret codes; the Intelligence and Reports Bureau of the State Department; the Defense Intelligence Agency in the Department of Defense; the intelligence components of the Army, Navy and Air Force; the FBI, the Atomic Energy Commission, and, less directly, the attorney general's office and the Departments of Treasury and Commerce.

The CIA was made accountable to the President through the National Security Council.

As passed by Congress and signed by President Truman, the law authorized the CIA:

- "To advise the National Security Council in matters concerning such intelligence activities of the government departments and agencies as relate to national security;
- "To make recommendations to the National Security Council for the coordination of such intelligence activities . . .;
- "To correlate and evaluate intelligence relating to the national security and provide for the appropriate dissemination of such intelligence within the government . . .;
- "To perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;
- "To perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

The law also provided that "the agency shall have no police, subpoena, law enforcement powers or internal security functions" except in protecting its "intelligence sources and methods from unauthorized disclosure."

Congress, according to CIA critics and to many students of the committee hearings and House and Senate debate,

intended the law to limit the agency to the collection of intelligence information outside the United States. The idea, it was contended, was to do only the kind of spying that would enable us to know what our enemies or potential enemies were up to so we could avoid another Pearl Harbor. There was, it was contended, no intention of authorizing secret foreign military or paramilitary operations or other covert overseas activities designed to overthrow governments of other nations or violently but surreptitiously alter their course. Nor, it was contended, was there any thought that the CIA would apply its techniques to life in the United States.

Obviously, however, the CIA has entered both of those supposedly forbidden fields.

Its entry was eased only two years after the agency was created, by passage of the Central Intelligence Act of 1949. This law allows the agency to keep secret the "functions, names, official titles, salaries or numbers of personnel" it employs. And the law gives the director of central intelligence, who is the head of the CIA and the nation's chief spy, the unprecedented authority to transfer money from one intelligence appropriation to another on his own initiative "without regard to the provisions of law and regulations relating to the expenditure of government funds."

## The directives

Despite the supposed intent of Congress, little time was wasted in expanding the CIA into clandestine activities at home and abroad that went far beyond the bulk of the precise language of the law.

This was done by taking advantage of a loophole—the 1947 statutory authorization to "perform such other functions and duties" as the security council may direct.

Over the years the council has issued a number of secret intelligence directives, about 10 according to one source, expanding the activities of the CIA. One of the first, according to students of the CIA, authorized active overseas operations—the "dagger" as contrasted to the "cloak" of simple intelligence-gathering. The directive's two main guidelines for approving an operation, it is understood, are that the chances for maintaining secrecy must be good and that the President must be able to plausibly deny any knowledge of the operation if its cover is blown and its connection with the United States becomes public. The theory of plausible denial permits lying to the public in the interests of national security.

## Control

In addition to the president and the security council, internal control over the CIA and the remainder of the intelligence community is exercised by an advisory board or two, which reportedly have little effect, and by the cabinet-level 40 Committee. The committee, labeled according to the number of the decision memorandum establishing it, is composed of representatives of the State and Defense Departments, the president's national security adviser, the Joint Chiefs of Staff and the director of central intelligence. The committee meets several times each month, primarily to pass judgment on proposed covert action programs.

Externally, Congress has the main responsibility for overseeing the CIA. It is a responsibility which Congress has largely overlooked.

The CIA and its friends on Capitol Hill like to point out that the agency is responsible to four different and powerful subcommittees.

## The agency's overseers in Congress

Members of the CIA oversight committees in Congress:

**Senate Armed Services Subcommittee**—Chairman John Stennis of Mississippi, Stuart Symington of Missouri and Henry Jackson of Washington, Democrats. Peter Dominick of Colorado and Strom Thurmond of South Carolina, Republicans.

**Senate Appropriations Subcommittee**—Chairman John McClellan of Arkansas, Stennis and John Pastore of Rhode Island, Democrats. Milton Young of North Dakota and Roman Hruska of Nebraska, Republicans.

**House Armed Services Subcommittee**—Chairman Lucien Nedzi of Michigan, Edward Hebert of Louisiana, Melvin Price of Illinois and C. C. Fisher of Texas, Democrats. William Bray of Indiana, Leslie Arends of Illinois and Bob Wilson of California, Republicans.

**House Appropriations Subcommittee**—Chairman Fred Rooney of Pennsylvania, John Slack of West Virginia, Neal Smith of Iowa, John Flynt of Georgia and Robert Sikes of Florida, Democrats. Elford Cederberg of Michigan, Mark Andrews of North Dakota and Wendell Wyatt of Oregon, Republicans.

Technically speaking, that is true. Subcommittees of both the Appropriations and Armed Services Committees in both the House and Senate are assigned to keep track of the intelligence community led by the CIA. And the subcommittee rosters include some of the most senior and most influential members of Congress. Chairman John Stennis, D-Miss., of Senate Armed Services; Chairman John McClellan, D-Ark., of Senate Appropriations; Republican Milton Young of North Dakota, ranking minority member of Senate Appropriations; and Chairman Edward Hebert, D-La., of House Armed Services are but a few of the 24 who serve.

But the subcommittees have existed in name only for the most part. They hold few meetings and sometimes go for long stretches, a year or more, with none at all. They have no permanent full-time staff of their own to do research or help prepare lines of inquiry. They often have taken the position that they don't want to know very much because of the terrible security burden that knowledge would inflict on them. And, with the exception of moderate Rep. Lucien Nedzi, D-Mich., chairman of the House Armed Services subcommittee, and Rep. Neal Smith, D-Iowa, they are to a man so conservative politically and generally so supportive of CIA activities that no serious challenges ever have been raised.

Stennis summed up the usually prevailing congressional attitude in November 1971, when the Laotian affair was rising to the surface: "This agency is conducted in a splendid way. As has been said, spying is spying. You have to make up your mind that you are going to have an intelligence agency and protect it as such and shut your eyes some and take what is coming."

## Change

The two proposals for revision that have reached a vote in Congress involved Senate plans to alter the overnight committee structure. In 1956, a joint House-Senate committee on intelligence proposed by Senate Democratic Majority Leader Mike Mansfield of Montana was rejected, 59 to 27. Ten years later, in 1966, a plan for a new Senate committee on intelligence operations, offered by Democrat Eugene McCarthy of Minnesota, was killed 61 to 28.

Similar proposals again are abroad in Congress. For example, Sen. William Proxmire, D-Wis., the most active

and vocal CIA critic, has offered a resolution creating a seven-member Senate Committee on the Central Intelligence Agency. It would guarantee the pro-CIA old guard only two seats — by reserving a pair of memberships for senators who also serve on Armed Services. Two seats would be held for members of the Foreign Relations Committee, which now has no viable oversight role. The other three would come from the Senate at large.

There is talk of sharply cutting back the over-all intelligence community budget and personnel, estimated by Proxmire at \$6.2 billion and 148,851 persons, and of making public the long-classified figures for those categories so that voters can weigh the big federal expenditures for spying against other national needs.

Sen. Edward Kennedy, D-Mass., and others are urging a shift in emphasis from "dagger" operations to long-range intelligence evaluation.

Proxmire has introduced legislation to narrow the two

supposed loopholes in the 1947 law — those allowing the CIA a domestic function in this country and permitting clandestine and often-violent efforts to change the course of foreign nations. His bill would require written approval of such endeavors by the oversight committees.

McClellan and Sen. Stuart Symington, D-Mo., acting chairman of Armed Services, have expressed interest in making a full review, apparently for the first time, of the security council intelligence directives that transported the CIA through the loopholes.

Stennis, too, has promised alteration of the CIA charter "to fix it so they can't have all this false-face stuff, crowbars and burglary tools operating in the U.S."

On the House side, Nedzi, who has received good marks from many of his colleagues for pushing steadily ahead since his appointment two years ago, plans more hearings to supplement those he already has had on secrecy classifications and CIA involvement in Watergate.

## RADIO-TV MONITORING SERVICE, INC.

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### PRESS LOOKS AT CIA HEADQUARTERS, FIRST TIME IN 14 YEARS

JOHN CRISWELL: In this era of Watergate investigations, news leaks, and secrets, big and small, the ever mysterious Central Intelligence Agency has provided a big surprise. Yesterday CIA unveiled to the press, for the first time ever, its 14 year old headquarters in Langley, Virginia. Correspondent Bill Downs has that report. (FILM CLIP)

BILL DOWNS: Driving through the nation's most secure gate, the 50 million dollar super-secret CIA headquarters looks surprisingly like a well kept prison, which in a sense it is for the country's most sensitive secrets.

Permission to film the seven story concrete and granite building came as a surprise, and marked the radical departure from previous CIA security practices, meaning the agency is worried about its public image. But any airline passenger flying west from Washington can look out and see the whole 140 fenced-in acres, including the more than 20 acres of parking lots for the 8 to 10,000 faceless employees.

The agency auditorium, sometimes used for cloak and dagger briefings, looks like the top of an ice cream cone. The cafeteria, with its crenelated roof, can feed 1,000 anonymous people at a sitting.

We were allowed to photograph only the outside of the agency headquarters, but this is the American taxpayer's first look at his CIA investment. We can report their property is in good condition. This is Bill Downs, ABC News, at CIA headquarters, Langley, Virginia.

26 August 1973

# Security Break-Ins:

## From FDR to Johnson

By William Claiborne  
Washington Post Staff Writer

"I don't think you can get absolute security without almost establishing a police state, and we don't want that. You can't put security in a black groove or a white groove. It is a gray groove, and certain chances have to be taken."

J. Edgar Hoover, May 14, 1964

Up until for the already troubled FBI, President Nixon uttered one sentence last week in which he, perhaps unintentionally, provoked a national examination of what past administrations have done to protect the Republic from its enemies, real or imagined.

Standing before microphones in a parking lot adjacent to his San Clemente estate, Mr. Nixon was asked whether he, if he were a congressman, would entertain impeachment proceedings in light of disclosures that the plot to burglarize the office of Daniel Ellsberg's psychiatrist was hatched in the White House.

First denying that he had violated his oath of office, Mr. Nixon bristled slightly and said to newsmen:

"I should also point out to you that in the three Kennedy years and in the three Johnson years through 1966, when burglarizing of this type did take place, when it was authorized on a very large scale, there was no talk of impeachment, and it was quite well known."

The sentence sent newsmen scurrying to the offices of almost every living former Attorney General who served in the past quarter of a century, and what emerged first was a spate of indignant denials from the top Justice Department appointees of John F. Kennedy and Lyndon B. Johnson.

"I don't believe it," said Nicholas de B. Katzenbach, who held, successively, the three top Justice posts in the years Mr. Nixon was talking about. Ramsey Clark, Attorney General in President Johnson's administration, said, "I don't know what he is talking about." President Eisenhower's Attorney General, Herbert Brownell, declined to comment.

Following the initial barrage of denials—which indicated that the FBI may have conducted national security burglaries without the knowledge of the attorneys general—a pattern of such break-ins, stretching back to the pre-World War II era began to emerge.

According to former high officials of the FBI and to rank-and-file agents who have since left the bureau, such activity began on the specific authorization of

President Roosevelt as war loomed in Europe and continued until 1966, when the late FBI Director Hoover put an end to it.

(Hoover, according to his former associates, acted more out of dissatisfaction with the risks his agents were taking on the behalf of another government agency—The National Security Agency—than out of any moral uneasiness over the break-ins.)

The former FBI officials, who declined to be identified, said that the burglaries that were committed were always authorized by Hoover and not by attorneys general or other administration officials, as Mr. Nixon suggested in his press conference.

Most of them, the sources said, involved foreign intelligence and were made at foreign embassies here and at consulates in cities across the country. Some break-ins were conducted in offices of the Communist Party of the United States and in the homes and offices of suspected Communist agents.

In the case of foreign missions, according to the former officials, the target of the burglaries was almost always cryptographic material, secret codes. For example, the Japanese code was broken months before the outbreak of World War II because agents entered the Japanese embassy here and photocopied code books.

In some cases, the break-ins were necessary to plant hidden microphones in embassies, a practice that former agents note has been practiced widely in other countries as well as in the United States.

The genesis of the FBI's unusual intelligence operations can be traced as far back as September, 1937, when after an 18-year hiatus, the bureau was ordered back into the intelligence field by President Roosevelt.

Between 1919, when the old General Intelligence Division (GID) was abolished, and 1937, the bureau had no intelligence assignment in relation to national security.

By the summer of 1939, when events in Europe increasingly prompted questions at home about foreign agents, Roosevelt expanded his directive and made the FBI responsible for all investigations of espionage, counterespionage and sabotage.

According to a former long-time agent, that mandate was the beginning of an evolution in which the FBI—assisted by the mobilization for war—began to develop its highly sophisticated intelligence techniques.

The techniques, which included surreptitious entry and the use of complex electronic eavesdropping de-

vices, were subsequently applied in varying degrees over the years to each new national security threat as it arose.

Those threats, the former officials said, included the American Nazi Bundists, suspected Japanese espionage agents, Communists, the Ku Klux Klan, organized crime syndicates, labor racketeers and radical anti-war groups.

While the broadening of the FBI's intelligence capability was attributed by all the former agents interviewed to Roosevelt, one former FBI official attempted to put the bureau's first foreign intelligence operations in historical perspective.

"We were at war. We were fighting for survival. Many things had to be done for survival," he said.

The former official cited the relocation of thousands of American-born Japanese to Western internment camps, and said, "If that was considered necessary, then naturally other things were considered necessary."

During the Cold War of the 1950s, according to former FBI officials, the number of "black bag jobs" (burglaries) committed by FBI agents escalated as the government sought more and more information from Communist Party offices and the missions of Communist countries.

One special agent who was fired from the bureau in 1961 for publicly criticizing Hoover, said he participated in about 12 break-ins of foreign missions and Communist Party offices.

William W. Turner, 46, said in a telephone interview from his home in San Rafael, Calif., that "burglary was a well-established technique" when he joined the FBI in 1951.

Turner said he acted as a lookout during a burglary of the Japanese consulate in Seattle in 1957 during which a safe was opened and records were photographed.

"A guy flew out from Washington and spent four or five hours up there. I went up once, and he was photographing some stuff from the safe," Turner said.

Turner, now an author and a frequent critic of the FBI, said he also conducted burglaries at the homes of a Seattle Communist Party

leader and a suspected Soviet spy. He said such operations were approved in Washington, but they were "never put to paper. You could never prove it was authorized."

The normal procedure, Turner said, was for agents to "case" a burglary target to determine when it was unoccupied, and then station a lookout to watch for anyone returning. Additionally, he said, an agent was stationed at the local police headquarters to monitor the police radio and "shortstop" any citizen complaint that a burglary was in progress.

"We would just tell the police we have an operation in this area and we want to make sure nothing happens," Turner said.

Turner said he could usually tell when the bureau's most experienced "black-bag man" had committed a highly successful burglary "because you would read in the house organ that he got another meritorious award. That's the only way they could pay him."

Turner said he was trained in wiretapping in 1958 in Washington and that he was instructed in surreptitious entry at the same time. As agents retired, he said, new classes in burglarizing were held "to replenish the guys in the field."

The classes were held, he said, in an attic room in the Justice Department here, and agents were instructed on how to make their own lock-picking tools with a grinding wheel. Each agent made his own kit of tools, and was instructed never to perform a break-in while carrying identity papers.

Turner said burglaries "weren't really widespread" and almost always involved foreign intelligence, which he suggested was necessary to national security.

This theme was echoed by the other former FBI officials, who asserted that they knew of no break-ins that were comparable to the one to which Mr. Nixon referred in his press conference—the Ellsberg burglary.

That break-in, planned in 1971 by the special White House intelligence unit known as the "plumbers," was designed to obtain psychiatric records of Ellsberg, who was on trial in the Pentagon Papers case.

Turner said he knew of no authorized break-in in which burglary was used to obtain material on a defendant in a criminal case.

He said he was aware that some break-ins were authorized in domestic intelligence situations, such as organized crime and certain black ac-

WASHINGTON STAR

26 AUG 1973

# FBI Orders Secrecy Pledge

By John M. Crewdson  
New York Times News Service

ject to criminal or civil penalties

The FBI has directed its 18,000 employees to sign a written statement recognizing that the work of the bureau is confidential and that unauthorized disclosures of investigative information may result in criminal prosecution.

An FBI spokesman said the printed statements which have been distributed to bureau supervisory personnel in the last few days, were simply a revised version of the bureau's traditional employment agreement "which indicated that the work of the FBI is confidential" and was not to be revealed except through normal channels.

He explained that the bureau had decided to issue the revised statement following a Supreme Court ruling last December that upheld the legality of a similar affirmation of secrecy required by employees of the CIA.

In that case, the court prevented Victor L. Marchetti, a former CIA agent, from disclosing classified information obtained during his employment there that had not already been made public.

The government action against Marchetti which

resulted in the decision was brought in connection with an article he had submitted a few months earlier to Esquire magazine.

ONE SOURCE in the Justice Department said that as far as he knew, no one there has been asked to sign any similar statement cautioning against unauthorized disclosure.

Atty. Gen. Elliot L. Richardson, he said, simply warned his top officials last week that no one should talk about the Agnew case outside the department.

Almost from the inception of the Watergate scandal in June of 1972, federal law enforcement agencies, especially the FBI, have been accused of being the source of leaks to the press of confidential investigative information about the case.

On Tuesday, Agnew publicly accused members of the Justice Department of trying to "indict" him in the press through leaks of information.

Washington Post  
5 September 1973

## Freidin Cheerfully Acknowledges Getting Paid by GOP for 'Junk'

From News Dispatches

LONDON, Sept. 4—American journalist Seymour Freidin today cheerfully admitted receiving substantial sums of money from the Republican Party for relaying information from the Democratic camp during the 1968 and 1972 presidential elections.

He was commenting on today's syndicated report by columnist Jack Anderson which alleged that during the 1968 campaign Freidin filed three reports a day from Hubert Humphrey's headquarters.

Freidin, now London bureau chief of Hearst Newspapers, said that during both elections he was working as a freelance writer and was engaged in researching a book on the presidential race.

"The basic facts in Anderson's story are correct, although there was never any

question of espionage—I'm not really the James Bond type," he said.

"I did pass on information to the Nixon camp and I did receive money—about \$6,000 in 1968 and \$11,000 in 1972. I was surprised by the size of the payments, but they were all legal and aboveboard. The Internal Revenue has taken huge chunks of it."

Freidin said he was merely passing on information that would have been available to the mass media within hours of his reports reaching the Republicans. "What I contributed was junk—they could have read it in the newspaper."

The book that Freidin had been researching was temporarily shelved when the Watergate scandal started to break. "I reckoned the book stood no chance of success. It would have been totally overshadowed by Watergate," Freidin said.

It was now hoped the book would be published sometime

next year, he said.

Freidin, who worked for the New York Herald Tribune before it folded in 1966, joined Hearst Newspapers in September, 1972.

He described his political allegiances as "independent Democrat" and added with a laugh: "I've never voted Republican in my life".

Anderson also claimed Freidin was an informant for the Central Intelligence Agency in the 1950s and 1960s, while he was working as a newsman.

Freidin said he was in contact at that time with CIA personnel, but on an "exchange of information" basis.

"I know an awful lot of guys who exchange information" with U.S. agents he said.

He said that in his dealings with the CIA and with Republicans "I never did any spying, stealing secret papers or breaking in. There was nothing underhanded in any aspect of my work."

## The Harris Survey Watergate Hurt FBI, Many Feel

By Louis Harris

By 52 to 36 per cent, a majority feels the Federal Bureau of Investigation was used to its detriment in a cover-up of the Watergate affair, while a 46 to 33 per cent plurality feels the same way about the Central Intelligence Agency.

On Aug. 18-19, the Harris Survey conducted interviews among a cross section of 1,538 households nationwide, asking about those alleged White House efforts to use the nation's two leading investigative agencies:

*Do you feel the White House staff was trying to get the CIA and the FBI to cover up the Watergate affair, or didn't you think that was the case?*

Total Public  
Tried to get CIA and  
FBI to cover up ..... 56%  
Was not the case ..... 20  
Not sure ..... 31

People were also asked:

*Do you feel that the CIA was involved in the Watergate affair and other illegal domestic spying activities or not?*

Total Public  
Was involved ..... 45%  
Was not involved ..... 24  
Not sure ..... 31

The cross section then was asked:

*Do you feel the reputation of the FBI was damaged by the way it was used in the cover-up of the Watergate affair, or don't you feel that way? And, Do you feel the CIA's reputation has been damaged or not in the Watergate affair?*

Total Public  
Damaged ..... Not  
FBI ..... 52% ..... 36%  
CIA ..... 46% ..... 33%  
1973. The Chicago Tribune

WALL STREET JOURNAL  
29 August 1973

## Fly Me, I'm Spooky

### CIA Is Apparent Seller Of a Charter Airline, But Nobody's Talking Southern Air Transport Sale Is Assailed by Competitors; The CAB Acts in Secrecy

#### 'Still Another Muddled' Deal

BY TODD E. FANDELL  
Staff Reporter of THE WALL STREET JOURNAL

All the guys in the air-charter business used to wonder why Southern Air Transport (unrelated to Southern Airways) didn't fully exploit the mushrooming charter market. It had the money, it had valuable routes awarded by the Civil Aeronautics Board, and it was modestly thriving. Yet the Miami-based outfit never really seemed to take off.

Competitors suspected, and now they think they know for sure the reason: For 13 years, Southern has been secretly—and possibly illegally—owned and controlled by the Central Intelligence Agency.

This is coming to light because of an attempt to sell the line and to get the sale approved, secretly, by the CAB. So far, the CAB has appeared to cooperate. Despite legal requirements that public hearings be held on applications to transfer ownership or control of the companies it regulates, the CAB has withheld documents and conducted a closed-door hearing on the sale application. The agency has gone so far as to require oaths of secrecy from witnesses who appeared in the five-day closed hearing in June. "We weren't even supposed to tell anyone how long the hearing lasted," says a lawyer close to the case.

The issue focuses on the attempt by Stanley G. Williams, 52-year-old president and a director of Southern, to buy 100% of the line for \$5.1 million. Mr. Williams has told the CAB he already owns one-third, and he wishes to buy the remaining two-thirds from its other two directors, both former high-ranking government officials.

#### Evidence: Circumstantial but Spooky

Distressed by the prospect of stiffened competition from a line they say couldn't have survived without CIA help, four major charter competitors—joined by eight scheduled airlines—are opposing the sale. The protesting carriers insist that none of the three directors is a true owner of Southern. They are nominees, the carriers say, for the real owner and seller—the CIA.

One source close to the controversy says: "The CIA has maneuvered itself into disclosure of still another one of its muddled operations because it failed to take into account one important factor it should have foreseen. It didn't anticipate the ire of private-enterprise carriers over being forced to compete with an airline that exists only because it was nationalized by the government."

The evidence, it should be noted, is circumstantial. The protesting carriers have been frustrated in proving their contentions, largely because the CAB has ordered numerous documents relating to their charges withheld from public view. Yet an investigation into material that still is available for public inspection—and talks with a number of airline and governmen-

tal sources acquainted with Southern's history—shows a series of maneuvers that strongly suggest a CIA interest in Southern. Southern, moreover, has been linked firmly in records to Air America, a Southeast Asia aviation operation known to be a CIA concern.

Southern's attorney is James H. Bastian, who also is an officer of Air America. Last June, in asking the CAB for a secret hearing, he told the agency that information about Southern's "beneficial," or true, ownership "can be better facilitated in an executive session" and that he planned to present only two witnesses: Mr. Williams and Lawrence Houston.

#### Confusing Ownership Changes

Mr. Houston, at the time, was general counsel for the CIA. He retired at the end of June, though he still maintains a CIA office as a "consultant." Aside from confirming that, a spokesman for the CIA's office of the general counsel declines to comment on the case.

But a former high-ranking CAB official is more talkative. He says the CIA has controlled Southern, and "the CIA got Southern because it was irritated over the way its Air America cover was so thin it had become a laughing matter."

Southern didn't start out as a CIA front. It was founded in 1947, apparently without CIA help, by Frederick C. Moor, who died recently. Mr. Williams, who had held several air-cargo jobs after his World War II Navy tour, joined Southern in 1949. Two years later, he became secretary-treasurer and bought one share of stock for \$100. A second share was sold to one Martin S. McHugh. Mr. Moor held the other 98 shares. As late as 1960, that was the ownership structure the line reported in routine filing with the CAB.

By 1960—just how is not explained in the records—Mr. McHugh seems to have been out of the picture. The evidence indicates that in August 1960 a critical change in ownership came about.

Southern, in documents filed with the CAB, now leaves the impression that the would-be sellers of their interest—Percival Flack Brundage and Perkins McGuire—at that time bought their interest from Mr. Moor, for \$360,000, and Mr. Williams, for \$40,000, for a total of \$300,000. Although they normally would explain it, public records at the CAB don't show how Mr. McHugh disposed of his interest, or how Mr. Williams apparently increased his to the point that he received more than one-seventh the purchase price. Nor do they show how he ever came to own the one-third interest. Southern now says he owns. (Mr. Williams has been unavailable for comment.)

Mr. Brundage, now 81 years old, was a director of the Bureau of the Budget under President Eisenhower. Mr. McGuire, now 68, is a businessman who was Assistant Secretary of Defense under Mr. Eisenhower. These men, the protesting airlines now say, were the CIA's nominees in purchasing Southern. Mr. Brundage couldn't be reached for comment. Mr. McGuire declines to comment fully. "However, I do want to say," he adds, "that these sorts of things have gone on before, and there is nothing really wrong with what was done here, in my opinion."

He says that he never invested any of his own money in Southern, nor would he receive any money from the proposed sale now pending before the CAB.

Then who did buy Southern? And who will get the money from its sale? Whoever it is, it wasn't long after August 1960, that some airline executives became aware of what they considered a peculiar relationship between Southern and the government. One man who did is Clayton L. Burwell, who at the time was president

of the Independent Airlines Association, an industry group.

#### Deals With Air America

Right after the 1960 change in ownership, Mr. Burwell says, Southern "under mysterious circumstances" was awarded a government contract for inter-island cargo operations among Japan, the Philippines and Taiwan. Southern, he says, "seemed unqualified" when its equipment and operating experience were compared with others who competed for the contract. So on behalf of the industry association, Mr. Burwell tried to protest the award. He abandoned the protest, he says, when told "by sources on Capitol Hill" that Southern was owned or controlled by the CIA, that the contract award had been requested by the CIA and that "we could expect no help in securing review (of the award)."

About the same time, Air America and Southern developed a close financial relationship.

Within a month of the 1960 ownership change, Air America lent to Southern the full \$1.7 million purchase price for two Douglas DC-6 aircraft that Southern was buying from Air America. And in late 1968, six years later, Air America gave Southern a direct, unsecured loan of \$5.7 million.

Other aid to Southern was indirect. In 1968 and 1969, Southern borrowed \$8.7 million from Manufacturers Hanover Trust Co. to buy two Lockheed Hercules turboprops. The loans were guaranteed by an outfit called Pacific Corp., which lists itself as an "aviation investment" firm.

#### More Air America Help

Pacific Corp. would seem to be another CIA firm. Its chief asset is listed as Air America. Manufacturers Hanover is Air America's major bank, and it is widely believed to be the CIA's bank as well. Manufacturers Hanover will discuss none of these relationships—in line, it says, with its policy of not disclosing customers' affairs.

More recently, Air America has funneled money to Southern through Actus Technology, a company also reportedly owned and managed by Messrs. Williams, Brundage and McGuire. Actus holds the lease on the nine-acre site occupied by Southern at Miami International Airport and subleases it to Southern. Its assets consist almost entirely of loans to Southern, and its liabilities are largely loans from Air America. In one recent 15-month period, Actus lent Southern \$14 million in funds that Actus apparently borrowed from Air America.

At the moment, Southern owes Actus a balance of \$3 million on the latest loan. Part of Mr. Williams' purchase price for Southern (plus the acquisition of Actus) is to be used to pay off that amount. Actus, in turn, proposes to pay off its outstanding \$3,125,000 debt to Air America with that \$3 million plus \$125,000 in funds to be borrowed from a Miami-area bank. In a report that came to light in the CAB proceedings, Coopers & Lybrand, the auditing firm for Southern and Air America, has noted that Southern also owes Actus more than \$800,000 in unpaid interest. But the firm has said that these amounts don't show up in the financial statements of either firm, and Coopers & Lybrand assumes—without further explanation—that repayment will never be required.

#### Patriotism and Favoritism

Right now, Southern has CAB certificates to provide cargo and passenger charter service within the U.S., between the U.S. and the Caribbean, and across the Pacific to Asia and Australia. Its most valuable asset is the trans-

Pacific certificate, one of only three awarded by the CAB in a hotly contested 1968 case. People in the business still marvel at this award, because Southern's presentation, they say, was the least impressive of the dozen or so carriers that wanted rights to fly the Pacific. "There is no question that Southern's application was significantly different from the others and definitely not on a par with them," says Jack Rosenthal, former director of the CAB's bureau of operating rights.

Mr. Rosenthal concedes Southern got the certificate because the CAB was aware the CIA wanted it that way. "It would have been the height of folly not to go along," he says, "especially when you consider the President has the ultimate say in any international route matter."

Reluctantly, competing carriers accepted the award. "I guess our attitudes about patriotism and such were a little different then, and we assumed there was a national defense need," says G. F. Steedman Hinckley, chairman of Overseas National Airways, one of the charter lines protesting the proposed sale of Southern.

Even now, the protesting lines are fighting the sale of Southern regretfully. "This matter reached the point where its potential business impact on all of us was so great we reluctantly had to fight it," says an attorney for one. He points out that trans-Pacific certificates are nearing renewal time, and the carriers each want a fair shot at the potentially lucrative business.

#### And Secret Subsidies?

Precisely how Southern was used—if it was—to further CIA operations isn't clear. Until last year, most of its reported revenue had come from military charter work in the Pacific and Southeast Asia. With the curtailment of U.S. military operations there, it has been suggested, the CIA didn't need Southern so badly. It has been modestly profitable through the years, according to financial statements filed with the CAB. It reportedly had net income of \$155,000 last year even though revenue fell sharply to \$8.2 million from \$11 million in 1971.

The competing airlines suggest that a source of income totaling \$6.9 million since 1963, labeled "logistical support group contract revenue" actually represents illegal government subsidy payments to Southern, probably for secret CIA operations.

The competing airlines also contend, among other things, that changes in Southern's ownership in the past weren't accurately or legally reported to the CAB, as the law requires—and that Southern must "purge" itself of its improper reporting before its sale can even be considered. They argue, too, that the law doesn't permit the government to operate an airline certificated by the CAB.

The law governing CAB hearings on changes of ownership or control of certificated airlines provides for executive sessions only when personal matters, or confidential business information, or national defense would be jeopardized. So far as can be determined, none of these issues has been formally raised by Southern; instead, the line has claimed that public hearings would prove "embarrassing."

The CAB law judge who held the closed hearing last June, and before whom the case is pending, did note that he had received a communication from an unnamed government agency asking for secrecy in the case. He gave no reason for the request. Attorneys for the protesting airlines assert that no other such CAB hearing has been held in executive session since World War II.

WASHINGTON POST

27 AUG 1973

*Joseph Alsop*

## Mr. Nixon's New Line-Up Of Advisers

It is ironical, but it is true, that President Nixon owes the Watergate horror for the best-staffed administration he has ever had. No one seems to have remarked upon it, yet it is another major point growing out of Dr. Henry A. Kissinger's promotion to the State Department.

The development is not unprecedented. In the last couple of years of the Eisenhower administration, the President was ill, aging and a lame duck. He could no longer recruit the real, roaring tenth raters from the business world whom he overwhelmingly preferred. People like "Engine Charlie" Wilson would no longer give a passing thought to leaving General Motors, in order to become Secretary of Defense.

So at the end, President Eisenhower had to be content with a Secretary of State, Christian Herter, whom he actively disliked, and a Secretary of Defense, Thomas Gates, with whom he basically disagreed. They were men of real ability and strong national-mindedness. And they prevented the close of the Eisenhower administration from becoming a real disaster, although the second Berlin crisis plainly threatened a disaster.

In the present instance, President Nixon has always shown high personal confidence in his new Secretary of State-designate, Dr. Kissinger and his new Secretary of Defense, Dr. James Schlesinger. The difficulty used to be that such men commanded no confidence at all from the President's chief advisors, back in what may be called the Haldeman-Ehrlichman-Mitchell era.

Or maybe it would be more correct to say that in the pre-Watergate era, the President's immediate entourage wanted as few persons as possible in key posts in government who did not appear to be easily controllable by persons like themselves. Sometimes they were deluded, as when they did not oppose Dr. Schlesinger's appointment to the CIA, or Elliot Richardson's earlier choice for the Defense Department.

But Richardson as Attorney General would never have met with the old crowd's approval; and he is more equipped to lead the Justice Department than the Defense Department. With Schlesinger at Defense and William Colby replacing him at the CIA, one can predict the President has acquired two more star performers for two tremendous jobs.

As for Dr. Kissinger's long overdue appointment, it was a change bitterly opposed within the pre-Watergate White House, mainly for rather sordid reasons. As for the Watergate-generated improvement in the White House itself, it hardly needs discussion. But there is one political point about all this that makes the President's quite

undesired gain from the Watergate horror worth a lot of thinking about.

Briefly, the Nixon administration used to rely on muscle to get what it wanted. The liberal Democrats, in turn, generously provided most of the muscle by such fashionable follies as the nomination for the presidency of Sen. George McGovern. With this kind of help from the Democrats, the Republicans in 1972 could have elected an ogre with a long record of cannibalism—provided the ogre just wore a small American flag in his buttonhole.

There is no sign at all, as yet, that the dominant group in the Democratic Party has learned anything at all from the results of their follies. On the contrary, they seem to be Watergate.

WASHINGTON STAR  
31 August 1973

## CIA and the Southern Airline

By Stephen M. Aug  
Star-News Staff Writer

Southern Air Transport is an airline with the authority to operate a charter business nearly anywhere in the world. Stanley G. Williams is the president of Southern, and he would like very much to buy the line from its present owners.

All in all a simple enough matter, complicated only by one thing: Southern has, for about 13 years, apparently been owned—secretly and perhaps illegally—by the Central Intelligence Agency.

It is a set of circumstances that has led to one of the most bizarre airline acquisition cases ever to come before the Civil Aeronautics Board. With the hearings ended, CAB Administrative Law Judge Milton Shapiro has begun writing his report on the case.

Lawyers representing Williams have tried to keep all mention of the CIA out of the case.

They have been successful in convincing Shapiro to hold nearly the entire hearing on the matter in secret—with those taking part being required to take an oath that they wouldn't disclose what transpired.

They have even been able to keep out of the public record parts of some complaints made by rival charter airlines who fear that Williams is getting a windfall by being allowed to purchase from a government agency privately—with public bidding—an airline with valuable CAB operating authority.

CAB RECORDS show that Southern Air Transport was incorporated in Florida in 1947. The firm holds authority to transport inclusive charter tours within this country and between the United States and American Samoa, Guam, the Johnston Islands, the Marshall Islands, Okinawa, Wake and points in Australia, Indonesia and Asia, as well as to Caribbean Islands including Haiti and the Dominican Republic. It also has worldwide authority under Defense Department contracts, and holds authority to transport cargo to Central and South America.

Williams joined Southern

drunk, in the Senate particularly. Meanwhile, the President, again because of Watergate, has lost most of his former muscle, at any rate in the crucial areas of foreign and defense policy.

In just these areas, the Democratic leaders in the Senate, particularly, are now hoping to have an easy field-day. But they have not noticed some facts of great importance. In these areas, to begin with, the President now has—and for the first time—a united team capable of talking to the country.

One thinks of the first Truman administration in this connection. The Nixon-haters, now, are hardly more violent than the Truman-haters, then. President Nixon's popularity has yet to drop quite so far as President Truman's.

man's all-time low. Yet a balky Senate was still forced to accept the great Truman initiatives in the foreign and defense fields, because the country was persuaded by the Marshalls, the Achesons, the Forrestals and the Lovetts.

As yet, the Nixon administration has no potential ally on Capitol Hill of the calibre of that half-comical, half-great man, Sen. Arthur H. Vandenberg, to whom this republic owes an immense, forgotten debt. But if the new Nixon team also proves able to persuade the country, you will see the Nixon administration getting its way on Capitol Hill. Indeed, if the country begins to be persuaded, Nixon allies in the Senate will emerge on all sides.

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in its operations department in 1949 and, according to his biographical statement, worked his way up to president. He is also listed as a one-third owner, along with Percival F. Brundage and Perkins McGuire.

Brundage was director of the Bureau of the Budget during the Eisenhower administration and McGuire was a deputy assistant secretary of defense and later an assistant secretary for international security affairs during the same periods.

Last March, Williams asked the CAB for authority to acquire all of the stock in Southern for about \$5.1 million. Within a few days several supplemental airlines that compete with Southern decided to intervene in the matter. They include Overseas National Airways, Trans International Airlines, World Airways and Saturn Airways.

The case was turned over to Shapiro for hearings.

**ALMOST** from the start, Southern officials balked at providing any information about the company or its ownership other than that which they had volunteered in the first place.

In early June, virtually on the eve of the hearings, ONA, Trans International and World asked for a postponement. The material that Southern had provided, they said, raised serious questions as to what kind of business Southern was engaged in.

More serious, they contended, Southern and its officials may have violated federal law by transferring control of the airline on several occasions without CAB approval, and by creating at least one interlocking relationship with a second corporation engaged in

aeronautics, also without CAB approval.

They pointed out that in January 1957, one Frederick C. Moor, Southern's founder, owned 98 of Southern's 100 shares of outstanding stock, according to CAB records.

But by August 1962, Moor had been joined by Williams, Brundage, and McGuire. As of Sept. 8, 1964, 84 shares were registered in the name of Suydam & Co., which turned out to be a "street name" for Moor, Williams, McGuire and Brundage.

There was no explanation of how Suydam had come about—but by 1972 it had disappeared along with Moor's name (he died recently) and the only stockholders were Williams, Brundage and McGuire.

It was just after Brundage and McGuire had come to the firm around 1960 that massive amounts of money began to flow into the company from Air America, widely known as an arm of the CIA. About the same time Southern was given a contract for government inter-island business in the South Pacific under what one individual called strange circumstances.

**THEN** there was something called Actus Technology, a corporation which appears to have served no other purpose than as a conduit for funding Southern. Actus subleases some space at Miami International Airport to Southern, which has a base there.

Williams, McGuire and Brundage are the officers, stockholders and directors of Actus as well as of Southern. Federal law requires CAB approval before the same individuals may be associated with an airline and an aeronautics firm. No.

such approval was sought or received here.

CAB documents indicate that Actus's main role was lending money to Southern—more than \$11.6 million since 1969. Actus received money from Air America—nearly \$9.4 million between 1960 and 1973. During the same period, Southern itself borrowed nearly \$7.4 million from Air America. And Air America's parent, the Pacific Corp., guaranteed \$6.6 million of loans from Manufacturers Hanover Trust Co. to Southern.

The District of Columbia telephone directory lists Air America, the Pacific Corp., Civil Air Transport is the Asia Ltd. all at the same address and telephone number. Southern, and China Airlines—thought to be another CIA operation—have offices in the same building, at 1725 K St. NW. Civil Air Transport is the old name for Air America, which was founded after World War II by Gen. Claire Chennault, commander of the famed Flying Tigers.

CAB records indicate that Southern's largest single source of revenue each year starting in 1963 has been something identified as "Logistical Support Group contract revenue." From 1963 through 1972 revenue from this source totaled nearly \$6.9 million. Southern's annual revenues total about \$9 to \$10 million a year, and its profits for the most recent 12 months is about \$382,000.

**SOUTHERN'S** competitors in the air charter business contend the government money means "there is a strong presumption . . . that a substantial part of this sum represents a direct or indirect subsidy paid to Southern by the Government."

NEW YORK TIMES  
1 September 1973

## C.I.A. Airline Linked to Role in Caribbean and Congo

By DAVID BINDER,  
Special to The New York Times

WASHINGTON, Aug. 31—Southern Air Transport, the charter airline owned by and operated largely for the Central Intelligence Agency, appears to have performed extensive paramilitary missions in the Congo and the Caribbean in addition to Indochina, aviation officials said today.

An informant familiar with some of Southern's operations over the last two decades said that the small charter operation had "two parts" after mid-1960. One involved ordinary commercial runs, transporting cattle and chickens around the Caribbean, and the other was committed mainly to military cargo missions, he said.

Another informant close to Southern's operations said "Wherever the action was, we were there." He spoke of operations in the Congo in 1961 during the turmoil resulting from the secession of Katanga Province and of troubles in Venezuela and Bolivia after Fidel Castro's takeover in Cuba. In those days, Southern was flying DC-6 transports.

The C.I.A.'s connection with Southern apparently began in August, 1960, when two former Government officials bought controlling interest in the airline for a reported \$260,000. They were Edwin Perkin McGuire and Percival Flack Brundage.

Mr. McGuire, 58 years old, was Assistant Secretary for Defense for international security affairs from 1954 to

1956, and Mr. Brundage, 81, was Deputy Director of the Bureau of the Budget at the same time.

Charter airline industry sources say both men acted for the C.I.A. in the 1960 deal.

### Transaction Pending

Now the two are named in documents filed with the Civil Aeronautics Board as sellers of a \$5.1-million controlling interest of the Miami-based airline to Stanley G. Williams, 52, the company president and director. The transaction is pending before the board, which held six days of secret hearings on the deal in June.

An airline man who worked for Southern said the C.I.A. was divesting itself of its control of the charter airline "because Uncle Sam is scaling down involvement in Southeast Asia."

He remarked that Air America, another airline owned by the C.I.A. and operated throughout the nineteen-sixties in Laos and elsewhere in Indochina on behalf of the agency, was also sharply reducing its activity.

"Air America is cutting back to the bone," he said.

For a time, he went on, Southern Air Transport's Asian operations were growing rapidly and it maintained bases at Tainan, Taiwan, and at Ukedo, Japan. These were closed down last year, he said. Another charter airline that dropped out of the Asian military transport business was said to be Airlift International.

Around Miami International Airport, where Southern has

its "Atlantic headquarters," the charter airline's pilots are known for their discretion, their good pay and their long flying hours—up to 16 hours for flight," a charter official said. A Miami-based pilot said, "Everybody knows Southern was doing spook stuff."

It appears that Southern kept its commercial operations strictly separated from its missions on behalf of the C.I.A.

"If someone else is my boss, I'd like to know," a Southern employee said by telephone from Miami. "I don't know who I am working for except Southern Air Transport. At this point, I feel we may have a problem about ownership."

Stanley G. Williams, the president and would-be purchaser of Southern, was reached this afternoon at the office of his Washington lawyer, James H. Bastian.

Mr. Williams, who owns a one-third interest in the airline, said that Southern's activities were "entirely commercial" at this stage, and that it was operating three Lockheed Hercules transport planes.

Asked about Southern's past, he said:

"In view of proceedings before the Civil Aeronautics Board, it is not appropriate to comment. It really do not have any other comments for you."

However, Mr. Williams did specify that one of Southern's new commercial projects involved transporting oil exploration equipment for Texaco to the Subsahara region of Africa, starting this autumn.

Southern is planning to establish rest and recreation facilities for its Africa personnel at Las Palmas in the Canary Islands and to fly out of Mauritania, using DC-6 transport craft again.

The transaction before the C.A.B. has attracted wide and critical interest among competitors in the airline charter field because of suspicions that Southern's C.I.A. connection gave and still gives it unfair advantages in route assignment and Government contracts.

Choice airline cargo routes overseas are up for assignment this autumn, before the C.A.B., some of them for a duration of more than five years, according to industry officials. This has made the Southern case even more controversial, they said.

A spokesman for Overseas National Airlines, one of the competitors, said today that his concern was opposing the Southern transaction "because it is owned by the C.I.A. and has been unfair competition."

"We all want the trans-Pacific route," he said, referring to a route certificate awarded Southern in 1966 by the C.A.B.

WALL STREET JOURNAL  
5 SEP 1973

## CIA-Linked Airline Won't Seek Renewal Of 2 Key Licenses

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Southern Air Transport Inc., a Miami-based charter airline understood to have been secretly owned by the Central Intelligence Agency since 1960, informed the Civil Aeronautics Board it won't seek to renew two key operating certificates.

In a letter mailed over the weekend to the administrative law judge handling a massive supplemental airline certificate renewal case, Southern Air said it decided it won't prosecute its applications involved in the current proceeding. They include renewal of its authority for cargo and passenger operations from the U.S. across the Pacific to Asia and Australia

and between the U.S. and Caribbean points. The transpacific certificate, one of only three granted to charter carriers by the CAB in 1966, has been considered Southern Air's most valuable asset.

Industry sources said Southern's action probably means its applications eventually will be dismissed. Loss of the Pacific and Caribbean authority wouldn't necessarily halt Southern's operations but would inhibit any growth plans. It would continue to hold domestic passenger and cargo and certain world-wide cargo operating rights.

Southern didn't state any reason for its action in the certificate matter. The Wall Street Journal last week disclosed that an application to purchase control of Southern, pending before the CAB in a separate case, apparently represents an effort by the CIA to secretly sell its interest in the airline to Stanley G. Williams, Southern's president. It was reported Mr. Williams filed the application. Other airlines have protested against the sale on the ground it involves illegal government ownership and financing of a certificated carrier.

NEWS LEADER, Richmond  
18 August 1973

## 'Intelligence Operative'?

The Central Intelligence Agency has purchased a copy of Yale University's statue of Nathan Hale.

According to an agency spokesman, the CIA plans to place the statue "on the CIA campus" in Langley, Virginia.

The CIA has decided to honor Hale as "the country's first intelligence operative."

That's nice. But Nathan Hale, in addition to being a spy, was a man schooled in English and rhetoric. He could put words together in unforgettable ways.

Were he here, surely he would suggest that "intelligence operative" somehow lacks that certain ring.

Washington, Sunday : Simon Winchester reports

# For whom the bug told

In all the talks last week of Embassy burglaries and officially sponsored "bag jobs," there was a brief, but very brief reference to the organisation which stood to benefit from all the surreptitious intelligence gathering. It was the same organisation for which Francis Gary Powers was gathering information in his U2 spy plane, and on whose behalf half of the American satellites circling the globe are now listening to radio traffic in the unfriendly world below. That is, the super secret and almost wholly silent body known as the National Security Agency.

A dozen miles north-east of Washington, deep in the Maryland forest country, is a large military base, Fort Meade. Much of what goes on inside the base is well known and most of the buildings are signposted and identified in the typically gaudy manner of any American military establishment.

But as you drive in from the Washington side, a group of curious, unsigned office blocks can be seen away to the north. One has a notice saying Operations Building No. 1. It is nine storeys high, its perimeter is surrounded by two tall barbed wire-topped cyclone fences with a five-strand electric wire fencing standing on insulators between them; searchlights and binoculars are said to be trained on the perimeter 24 hours daily and marine guards from the nearby barracks patrol endlessly in their white and blue jeeps.

On top of the complex — which, when you look closely, extends to another long "A" shaped building behind the tall HQ and to a number of smaller ancillary outbuildings — are dozens and dozens of aerials. Four great white golf balls sit on top of the operations building, holding scanners that nod silently up and down and side to side hour after hour. Vast arrays like sunflowers and spikeheads and long spiral aerials and circular detectors and radar dishes and huge "H" type television aerials, dot the top of the buildings like a bizarre roof garden. A 500ft mast topped with an eastward looking place aerial stands behind another barbed wire enclosure in a compound to the east of the HQ; the air almost crackles with radio messages coming from, and going to every corner of the globe and every space-craft in the sky.

This, then, is the National Security Agency — an organisation so secret that even the official Government operations manual refused to list its name or its function for the first five years of its life. The half-page entry on page 201 of this year's manual is far from informative: the NSA, it says, was

set up by presidential directive in 1952 to perform two missions which the booklet identifies simply as being "a security mission and an intelligence information mission."

To accomplish these, the agency has been assigned the responsibility of "prescribing certain security principles," "organising certain activities," "organising and coordinating the research and engineering activities . . . in support of the agency's function," and "regulating certain communications." Rarely has there been a more suggestive use of the word "certain."

It was more than a little surprising then, to find out that the agency does actually have a public information officer. It was not at all surprising, though, to find that this man, a charming individual called Mr Boucher, had absolutely no information to give.

What does the agency do? "Well, I'm afraid I must be rather official on that one," he replied. "I just can't go beyond what is said in the official Government organisation manual." Well, what about a trip around the less secure bits of the NSA? "Now that is a tough one. We get asked that about once every six months and I'm afraid we always have to refuse. The director has never let a single member of the media inside the wire — and in a way we're all rather proud that no one without a pass has ever managed to get in." Pictures? "Well, of course we can't show you anything inside, but if you want to take some shots of the outside it could be arranged. The guards are a bit touchy about that, but we ought to be able to get permission."

A nice chap, Mr Boucher, but as he said himself yesterday, "this job of public information officer for the NSA does sometimes seem just a bit of a sinecure."

But, of course, it is possible to find out, and in some detail, just what NSA does. The basic function of the agency is cryptology — the invention of new and uncrackable codes. For all American military and political messages, and the listening to and analysis of all messages sent out by the Communist — and for that matter non-Communist — world. It is a fair bet that every single coded radio transmission or telegram or Telex message or telephone call made by any Embassy or military unit anywhere in the world is monitored, recorded, and later decoded by the 13,000 men and women who work behind the three-layer electrified fence at Fort Meade.

Staff have access to the world's greatest concentration of computers. The building is said to have more electrical wiring, more radio

equipment, more mathematical wizards than any other known institution. Its input is vast. Its output, from the officially accredited "Vietnamese-English Vocabulary" and "A Grammar of the Bulgarian Language" to its highly secret (the NSA has more than 25 super-top secret classifications, in spite of official rules limiting classification in this modern, freer American Government), analyses of foreign codes, and its recommendations for improving security of domestic transmissions is both huge and vital.

The directorship of the NSA changed only last week. Since the Agency is in theory a part, though a wholly autonomous part, of the Department of Defence, the director is always a military man: this year he is an air force general by the name of Lew Allen. His deputy and the chief civilian on the agency staff is Mr Louis W. Tordella, a high-powered specialist in algebra, group theory and classical number theory who, unlike the present director, has a lengthy military experience of cryptanalysis.

These two men between them have access to a virtually unlimited and uncontrollable annual budget — for no government agency manages to evade congres-

sional scrutiny in the same fashion as the National Security Agency. It seems that almost any request emanating from the black chambers of Fort Meade is automatically granted, no questions asked — whether it be for fifty million dollars or for special equipment, or 20 million dollars for more building, or a request for more staff.

Presumably because of the incredibly recondite nature of the work performed at NSA and the whispered assurances that the cryptanalysis function of the agency, while not officially admitted, is totally vital to America's interest, Congress never dares to question the agency's insatiable appetite. Current estimates put the annual cost of the agency and its vast, worldwide interception nets at a cool one billion dollars; and yet no questions are ever asked.

And the fact is never queried that NSA has won many of its benefits from the efforts of men like Howard Hunt and his kind, who break into Japanese consulates in Seattle and into Russian trade missions in Washington and New York. NSA has become, it seems, like national security itself — a powerful religion an opiate that, more than any other, can smooth illegalities and unethical practices from any American official conscience.

WASHINGTON POST  
31 August 1973

## Carolyn Woollen, Was CIA Employee

Carolyn Woollen, a former operations officer with the Central Intelligence Agency who received the Intelligence Medal of Merit for her distinguished services to the agency, died Wednesday of cancer at Providence Hospital. She was 53.

A native of New York City, Mrs. Woollen came to the Washington area in 1933. She attended Holy Cross Academy and graduated as valedictorian from Dunbarton College in 1942. While still an undergraduate at Dunbarton, she did graduate school work in Latin and Greek at Catholic University.

During World War II, Mrs. Woollen joined the Military Intelligence Service and worked in Washington and England. In 1949, she was attached to the Office of Military Intelligence of the High Commissioner of Germany in Frankfurt and Bonn. From 1954 until her retire-

ment in 1960, Mrs. Woollen worked for the CIA. She was awarded the Intelligence Medal of Merit by former CIA Director Allen Dulles in 1957.

Shortly after her retirement, she was married to the late David H. Blair Jr., a philanthropist who founded the Princeton Chamber Orchestra.

After her marriage she attended and graduated from the American Montessori Institute of Washington and became one of the early sponsors and a volunteer teacher of the Tamarind School in St. Croix, Virgin Islands. Mr. Blair died in 1969.

In 1971, she married Russell Woollen, a composer and pianist of the National Symphony Orchestra and professor of music at Howard University.

Mrs. Woollen is survived by her husband and a daughter, Christina Woollen, of the home at 4747 Berkeley Ter. NW; and a sister, Mrs. Paul Hume, of Washington.

BALTIMORE SUN

24 AUG 1973

# Reaction mixed in Japan over new Kissinger role

By a Sun Staff Correspondent

Tokyo—Japanese officials reacted with distinctly mixed feelings yesterday to the appointment of Henry A. Kissinger as Secretary of State.

Mizuo Kuroda, a spokesman for the Foreign ministry, said the government looks forward to Dr. Kissinger's new role as a means of bringing more unity to United States foreign policy.

In the past, he said, career diplomats in the State Department seemed to differ frequently with a separate White House foreign policy staff headed by Dr. Kissinger.

Speaking privately, however, Japanese officials expressed concern about the former Harvard professor's ability and desire to run the State Department in an orderly manner.

Some said Dr. Kissinger might maintain his well-known contempt for bureaucratic caution, and, as one source put it, "he might run off on his own just as he did when he was at the White House."

Others recalled with suspicion Dr. Kissinger's secret trip to China in 1971, and his one-time disillusionment with Japanese policy toward the U.S. "We just don't speak the same language on philosophical matters," one official said.

## Foreign newspapers view Kissinger shift

By The Associated Press

The nomination of Henry A. Kissinger as United States Secretary of State "crowns a prodigious career," the Paris newspaper *Le Monde* commented yesterday while wondering whether he could mend fences with America's Atlantic partners as well as he has with its adversaries.

"He does not exhibit a deep interest in economic problems, which are at the root of what he has called Atlantic misunderstandings," *Le Monde* said. The "cold and sometimes cynical calculations" used in dealing with Moscow and Peking, *Le Monde* said, will not necessarily be as successful in relations with Europe.

Other foreign comment on the nomination widely reflected the view that Dr. Kissinger's move to the State Department meant no important change in American foreign

policy.

In Arab countries, broadcasts and editorials repeatedly observed that Dr. Kissinger is Jewish. The implication was that this might make it more difficult for Arabs to deal with the United States or Mideast problems.

"Kissinger is the first Jewish Secretary of State for America," said *Al Moharrer*, a Beirut paper reflecting the views of Palestinian guerrilla leaders.

In Tel Aviv, the Jerusalem Post said it was too early to know whether the change signals any significant departure

in U.S. Mideast policy. The religious newspaper *Hatzekeh* said it hoped Dr. Kissinger's "Jewishness won't complicate matters as it hasn't in the past."

The highest praise for Dr. Kissinger in his new office came from Milan's *Corriere della Sera*, a major Italian newspaper. "The appointment as Secretary of State of a man of genius, with volcanic intelligence, like Dr. Kissinger, can be considered a refutation for those who think that a politician must be, in addition to clever, also tedious and faint."

BALTIMORE SUN  
24 AUG 1973

## Kissinger for Rogers

The substitution of Henry A. Kissinger for William P. Rogers as Secretary of State is welcome and even overdue. Now the man who all along has made the major foreign policies of the Nixon administration and conducted them at the highest level will direct the department that must implement and orchestrate them. The appointment should end the weakness of a system where the State Department was kept ignorant of White House foreign policy initiatives. Mr. Rogers' departure from the post is for the best, but his resignation from government is lamentable. He has been a right man in a wrong job.

Dr. Kissinger brings enormous intellectual and negotiating credentials to his new position. Ironically, his main challenges now will be to eradicate the harmful byproducts of his previously secretive pursuit of beneficial policy changes. One is to regain the trust of traditional allies. Mr. Kissinger made his mark prior to 1969 as a trenchant critic of the erosion of trust by previous administrations, but the necessary new relationships he explored with Moscow and Peking created dismay in European and Asian capitals that were unconsulted. In his address of April 23, Dr. Kissinger acknowledged the re-establishment of sturdy relations with Western Europe and Japan as a major concern for the second Nixon administration.

Dr. Kissinger's previous derring-do also shattered morale in the department he now takes over, which he must restore. No administrator himself, much will depend on whatever changes he may make at the top. The worst that could happen would be for

the new secretary to continue to despise "the bureaucracy" and to continue to operate with the swollen little bureaucracy he created for himself at the Executive Office Building. The best would be a revitalized State Department utilizing the potentials of American career diplomats, and a chief maker of foreign policy confiding more candidly in the Congress and people.

Mr. Rogers, the longest-lasting member of the original Nixon Cabinet, has been a front man for policy made elsewhere, insisting stoutly to the end that the system worked. It was not a particularly distinguished role but he stuck it out from loyalty to a President who wanted things that way. Mr. Rogers was a trusted counselor and loyal supporter of Mr. Nixon for more than two decades. As President Eisenhower's Attorney General he displayed a far finer grasp of the constitutional requirements for law and order and individual rights than did President Nixon's first two attorneys general.

At his press conference Monday, Mr. Rogers permitted newsmen a mere glimpse of his dismay over illegalities committed by the Nixon White House staff, but he showed a depth of understanding of what is troubling Americans that the President has still not shown. Mr. Nixon wrote in *Six Crises* that Mr. Rogers was a "cool man under pressure, had excellent judgment, a good sense of press relations, and was one to whom I could speak with complete freedom." One can only wonder why Mr. Nixon subsequently spurned the counsels of such a man for those of the Haldemans, Ehrlichmans and Deans.

**GENERAL**CHICAGO TRIBUNE  
19 AUG 1973*The Golden Triangle***Deadly cargo on Asian drug**

Chicago Tribune Press Service

BAN HOUEI SAI, Laos, Aug. 18—A couple of hundred miles ~~down~~ here across the Burma border, a furtive caravan of pack laden mules winds its way along a narrow path in the foothills of the Himalayas toward the jungle covered banks of the Mekong River.

On its flanks, heavily armed outriders patrol the forest, occasionally drawing up their mounts at the edge of a clearing of elephant grass to hide from the full moon lighting up the skies over war torn Southeast Asia.

In the animal packs is a fortune in raw opium, enough to make a man a millionaire many times over if only the deadly cargo can reach the heroin producing laboratories which are its destination in Burma or Northern Thailand.

THE RIDERS are fierce men, armed with the best smuggled American made automatic weaponry that proceeds of the narcotics traffic can buy. And they are fully capable of besting in combat the more lightly armed customs and police patrols that seek to ambush them before the mind blasting drugs can move another mile toward the United States.

Meanwhile, as the caravan slips thru the patchwork of shadows cast by the moon, a 20-year-old college student back in Chicago sticks another needle in his arm and dies of a heroin overdose. And an equally youthful addict drops with a police bullet in his belly as he flees from a robbery staged to sustain his \$200 a day narcotics habit.

These are the violent and tragic contrasts of the international drug traffic in Southeast Asia as it moves into a new era of importance with the end of American participation in the Viet Nam War and the drying up of traditional heroin sources in Turkey and elsewhere in the Middle East.

BETWEEN THEM lie many thousands of miles and devious routes that the lethal fruit of Indochina's opium poppy harvest must follow before being sold to a generation of young Americans on the streets of Chicago or New York or Des Moines.

This columnist is on a long journey, accompanying Rep. Morgan Murphy Jr. [D., Ill.] as he continues a three-year investigation of the global traffic in drugs under a mandate of Rep. Carl Albert [D., Okla.], House speaker; Rep. Thomas Morgan [D., Pa.], House Foreign Affairs Committee chairman, and Rep. Ray Madden [D., Ind.], House Rules Committee chief.

This Mekong River town of 3,000 population is only minutes away by air from the very heart of Southeast Asia's opium poppy fields—the infamous Golden Triangle area where the borders of this tiny landlocked kingdom brush against those of Burma and Thailand.

ANNUALLY, THE Golden Triangle produces an estimated 700 tons of opium, enough to yield 70 tons of high grade heroin, and far more than the 10 to 12 tons of heroin required to sustain the annual needs of America's burgeoning number of over 500,000 addicts.

The caravan described in the opening paragraphs of this story is real. It does exist. And it and many like it travel a hazardous course each year as the first phase of a growing heroin assault on the United States and its lucrative addict market.

At stake are literally billions of dollars, profits that boggle even the minds of the expatriate mainland Chinese dope peddlers who control most of the Southeast Asian connection.

The narcotics they ultimately intend to sell to American youngsters is high grade—9 to 98 per cent pure, the same kind of stuff that first appeared in Saigon in 1970 dur-

ing the Viet Nam War and hooked an estimated 10 to 15 per cent of the American servicemen who served there.

IT IS lethal. It is vicious. And if taken in an overdose, it can kill as quickly and surely as a bullet.

Known as No. 4 heroin, the drug passed thru Laos on its way to South Viet Nam from the Golden Triangle during the war, some say aboard Royal Laotian aircraft under the protection of corrupt government officials.

But now, those easy days are over and the raw opium or the high grade heroin refined from it in a ratio of 10 kilos of opium to one kilo of heroin must find its way out of the Golden Triangle in many clandestine ways.

The 700 tons of illicit opium spawned by the Golden Triangle annually represents more than half of the world production upon which the international heroin racket depends. Therefore, there is good cause for the United States to be concerned about coal efforts to stamp out opium production.

SOMEHOW, WHEN viewed directly from the Golden Triangle, with its own tragic collection of slowly dying opium addicts, the heroin threat to the United States seems of greater concern than the Communist and nationalist rebels operating in the same hills.

In this remote, ruggedly beautiful area of Northern Thailand, Eastern Burma, and Western Laos, opium is the only cash crop of the hill tribesmen who grow it. They use it to buy the arms, ammunition, and food supplies needed to support the various insurgent bands in the area, factions that have been at war for over 20 years with the three governments whose borders they roam.

Thus, the opium traffic and insurgency become almost one and the same. And because the governments involved have

**trail**

little control over much of the areas, opium production, heroin refining, and narcotics smuggling have been able to prosper for a long time.

THE CARAVANS travel at night as much as possible or follow trails that lead beneath the protective foliage embracing much of the mountainous terrain.

At some points, they can ford rivers and streams, avoiding the few bridges over which government forces attempt to keep a wary eye. But at others, like the deep running and muddy Mekong, bamboo rafts must be fashioned on the spot to ferry across the pack loads of opium and the trains of horses and mules that carry them.

The Chinese traffickers, most of whom fled the Communist takeover of their homeland in 1949, have to get the raw opium to refineries hidden in the Golden Triangle area or to far off Hong Kong.

So several times a year, depending on the number of poppy crops grown, they set off to make the rounds of the hill tribes villages, buying the opium extracted after the poppy harvest. Then they hire insurgents to ride shotgun on their caravans as protection against government forces and hijackers.

OFTEN THESE ensembles resemble more a convoy of well armed cavalry than a millionaire merchant's method of getting his deadly goods to market.

The Chinese smugglers pay the tribesmen only in silver—Indian rupees, French piastres, or silver dollars—for those are coins a hillman knows have metal of value to them. Paper money of any sort is not his bag, nor is credit. He wants his money right

now. And because the simple tribesman has no concept of the vast amount of money to be made in heroin, he gets paid very little for his crop.

In the Golden Triangle, a kilo of raw opium may fetch only \$15 to \$30 and a kilo of No. 4 heroin \$100 to \$1,700. But by the time the Southeast Asian heroin hits the streets of Chicago in diluted form, it is guaranteed to produce \$250,000 a kilo for the crime syndicate gangsters and independent operators engaged in the narcotics racket back home.

ABOUT HALF of the total Golden Triangle opium production comes from Burma, the bulk of it moving to Thailand, sometimes thru Laotian territory, for eventual sale overseas.

The heavily armed caravans often number a hundred men, all equipped with the latest weapons obtained by barter on the Indochina gun smuggling market. Most are of U.S. manufacture, many of them stolen from GI arms dumps in Viet Nam or purchased or stolen from Southeast Asian armed forces who get American military aid. Of late, some have been of West German origin.

Generally the opium trains move out smartly in the spring, not long after the January or February opium poppy harvest. But these patterns vary, for in some instances of ideal weather as many as three poppy crops have been harvested in a single year.

THE CARAVANS dump off the raw opium for conversion

to morphine base and then high grade heroin at one of the refining laboratories that float across the borders of Burma, Thailand, and Laos.

Then the heroin is smuggled southward thru Thailand to Bangkok or other Gulf of Siam ports for transshipment by trawler to Hong Kong.

In some cases, the opium or morphine base moves to Hong Kong for conversion to heroin in refining laboratories there. Or, in other instances, the opium is smuggled throughout Southeast Asia to support the hallucinatory exercises of opium smokers.

THE STUFF may move southward by a variety of means including mules, small river boats and individual

couriers. Hidden in the false bottoms of fruit and produce trucks, or dispatched directly by air from cities in Northern Thailand. Once in Bangkok, a trawler may convey the dope to Hong Kong or it may again become airborne in the custody of couriers, including corrupted airline crews.

In Hong Kong the illicit cargo can disappear among the 13,000 Chinese junks and other small craft that crowd the harbor. Then it is transshipped to Okinawa, or Manila or Canada or South America or directly to the United States. Most generally, that is its ultimate destination.

Tomorrow, we'll report on a hair raising helicopter patrol thru the Golden Triangle in search of the clandestine caravans.

in Laos does not wish to tempt the rebel troops, their North Vietnamese cadre, or the insurgent machine guns that lie hidden in the jungles below.

Suddenly, the chopper breaks over a low lying ridge at 120 miles an hour and circles quickly below tree top level to survey a remote village of the Chinese irregulars who hire out as escorts for the opium caravans.

These are remnants of the 3d and 5th Kuomintang [KMT] Nationalist Chinese armies which were driven out of mainland China during the Communist takeover in 1949. They were some 20,000 strong then, but now they are believed to number only 2,000 or 3,000, the rest having settled down and married into the hill tribes of the tri-border area.

THESE ARE some of the toughest, best armed fighters of these mountains, having operated for over 20 years under Generals Li and Tuan in Southern Burma and Northern Thailand. They are essentially nomads, holding allegiance to no one but the opium traffic and drifting across international borders as the crossing the street for a bottle of milk.

But something as innocent as milk is not their stock in trade. Opium is, and the cash with which to buy arms and supplies.

And while the Thai government, with U. S. support, is attempting a resettlement program for the Chinese irregulars in an effort to give them

Bob Wiedrich in Asia

## Stalking opium smugglers by copter—a scary ride

By Bob Wiedrich

Chicago Tribune Press Service

BAN HOUEI SAI, Laos,

Aug. 19 — That is where it all begins, right there on the flanks of that big mountain looming thru the rain clouds a few miles away across the border into Burma.

Some eight months ago, primitive hill tribesmen reaped a harvest of death from the opium poppy fields on those lovely green slopes.

And now, you're in a helicopter thundering thru the mountain passes and sweeping the forests at treetop level in search of the hidden trails on which caravans of pack horses and mules are moving tons of opium to supply the demands of the international drug traffic.

DOWN BELOW, on a broad bend of the Mekong River, lies the juncture of Thailand, Laos, and Burma, the Golden Triangle area of Southeast Asia that takes its name from the billion dollar profits to be made from the 700 tons of opium produced annually in these wild and remote foothills of

the Himalayas.

This is elephant and tiger and leopard country. But those impenetrable forests below also hide far more dangerous quarry—heavily armed insurgents ready to fire at anything that threatens the security of the deadly cargo they are conveying to market.

So instead of soaring across the Golden Triangle at higher altitudes, the chopper hugs the terrain, swooping low across the ridges and twisting its flight to the topography to give the gunmen who lurk there a harder target to hit.

THIS IS ONE of the patrols flown almost daily by United States customs agents assigned overseas to assist their Laotian counter-parts in the offensive against drug smuggling.

Their purpose is to stop the flow of opium and heroin at its source before it becomes lost in the global narcotics pipeline that leads to the lucrative market represented by the more than 500,000 heroin addicts in the United States.

At the moment, only an estimated 10 to 15 per cent of the Southeast Asian heroin is

believed to be reaching American shores. But within a few years that amount is expected to increase dramatically as traditional Middle Eastern sources are dried up.

THAT IS the reason for this hair raising flight and the others like it during which dedicated young American customs and narcotics agents risk their lives beside their underpaid Asian colleagues in an effort to stamp out a smuggling racket that is as ancient as the Orient itself.

Aboard the flight is Rep. Morgan Murphy Jr., [D., Ill.], the Chicagoan who has been waging three-year personal investigation of the worldwide narcotics racket to expose its tragic impact on American youth.

The helicopter follows a carefully calculated flight plan so as not to stray over territory held scant 25 miles away by the Pathet Lao rebels who now control almost 80 per cent of this small kingdom's territory.

THERE IS A cease-fire in Laos and talk of a negotiated settlement. However, the civilian American pilot on contract to the American AID mission

the stability of Thai citizenship and land on which to finally settle, it remains to be seen if this will be inducement enough to get the KMT out of the opium trade.

**THERE ARE NO** signs of human life to be seen in the village, but the egg beater passage of the helicopter causes a stampede among a small herd of pack horses at the edge of the clearing. And it is clear the sharp-eared jungle fighters have heard our approach and are hidden somewhere with their trigger fingers just waiting for an overt act.

There is none, however. For our mission is to merely mark the KMT location so that other air and ground patrols will know later if they have departed on an opium convoying mission.

Minutes later, the helicopter banks steeply over a slim

hulled craft on the muddy Mekong and Rep. Murphy frantically grabs to close a door that has fallen open as the craft hangs on its side a scant 50 feet above the rushing rapids thru which the boat is scurrying.

"IF MY constituents could only see me now," mutters a thoroly shaken Murphy as the chopper plunges between two towering patches of trees on the way to the site of a former heroin laboratory believed to have been owned by a wealthy Laotian military and government official about whom we'll report tomorrow.

The small river craft en route to Ban Houei Sai will be closely scrutinized by customs officials on its arrival. For the innocent appearing gunny sacks on its decks could contain more than rice from Thailand.

CHICAGO TRIBUNE  
21 AUG. 1973

**Bob Wiedrich in Asia**

## The dope king has a kingpin

From Tribune Wire Services  
VIENTIANE, Laos, Aug. 20

—One of the most powerful politicians in this capital is a close pal and business associate of this kingdom's foremost narcotics smuggler.

Gen. Ouan Rathikoun, Royal Laotian Armed Forces commander until the opium trade was outlawed here less than two years ago, makes no bones about his unholy alliance with Hu T'ien Hsing, the expatriate Chinese who has been the drug king of Laos for at least a decade.

In fact, Gen. Ouan tools around town in a \$13,000 chauffeur-driven Mercedes-Benz painted the same shade of white as the high-grade No. 4 Golden Triangle heroin his buddy smuggles from Southeast Asia into the drug routes leading to the United States.

THE TWO chauffeurs and imported limousine could ordi-

narily be viewed as the trappings of a rich and influential man who made his fortune when the opium trade was legal and is now content to serve as the National Assembly deputy from Luang Prabang, one of the prime opium

poppy growing provinces of Laos.

But a check of the car's license plates—No. 8499—raises serious questions about the wholesomeness of Gen. Ouan's relationship with Hu, whose parents fled to Luan Prabang from Kiang Tung Province near Canton after the Communist overthrow of Nationalist China in 1949.

The license plates belong to the dope peddler and so does the car.

SO YOU SEE, there is nothing that's all out the relationship between the drug merchant and the former military strongman, whose air force planes were accused in a House Foreign Affairs Committee staff report last January of having hauled pure heroin during the Viet Nam War that helped turn 40,000 to 50,000 young American servicemen into junkies.

Gen. Ouan's entourage of bodyguards at his palatial residence on a fashionable Vientiane side street are a bit edgy about unexpected visitors.

At first, there was just one guard stationed on the balcony overlooking the courtyard where the white Mercedes

Benz was parked. But things changed after we strolled up to the wrought-iron gate of the New Orleans-style mansion and began snapping pictures.

Quite quickly, the first guard let out a warning yelp and was soon joined by another guard and then another. Finally, half a dozen pint-sized Laotian musclemen were shouting and gesticulating at the stranger with the camera, who promptly took off.

APPARENTLY, Gen. Ouan must have been at home. For later, he contacted an American official here, demanding to know who was the nosey guy with the camera.

And later, he failed to appear at a diplomatic function to which he had been invited along with this columnist and Rep. Morgan Murphy Jr. [D., Ill.], who is continuing a three-year investigation of the global drug traffic.

Frankly, being socially snubbed by Gen. Ouan was an honor.

We had no desire to meet the man who reportedly owned the refining laboratory at Ban Houei Tap, just 20 miles from the heart of the Golden Triangle border area, which is believed to have produced the bulk of the heroin peddled to American GIs during 1970 and 1971.

NOR DID we wish to shake the hand of the man whose profits have made him a wealthy partner of dope smuggler Hu in a variety of business enterprises including a teak mill along the Mekong River.

But in fairness to Ouan, his are not the only dirty official hands in a land that once exercised a government monopoly on the opium trade to finance its armed forces.

JUST A WEEK ago, American narcotics agents and Laotian police arrested the driver and messenger for the director general of Laotian police as they delivered heroin worth \$750,000 on the streets of Chicago thru an arrangement with a retired Laotian army colonel involved in the racket.

And there have been other classic arrests of government officials. Last year, National Assembly Deputy Mova Xu was seized in his home with more than \$3 million worth of heroin and opium hidden under his bed here in Vientiane.

AND THIS YEAR before, Prince Sopsaisana, vice president of the National Assembly, was pinched in Paris with a suitcase full of heroin as he

showed up to present his credentials as Laotian ambassador to France.

The men involved in the fight against the heroin traffic moving thru Laos from Burma and into Thailand en route to the world market report there is a backlog of narcotics and cash profits here in Vientiane.

Hundreds of kilos of 91 to 95 per cent pure heroin are believed hidden in the city awaiting efforts by the ever-vigilant Chinese smugglers to find a new route to avoid Laotian and Thai police crackdowns on the racket. Much of the dope backed up after the withdrawal of American troops from South Viet Nam.

THE CASH problem is less severe, sources report. A Swiss investment banking firm opened offices here a few months ago and has had one of its men quietly hustling Chinese dope traffickers and Royal Laotian officials to open secret Swiss bank accounts.

One of those known to have been solicited is Hu, Gen. Ouan's heroin-peddling pal.

Actually, Laos appears to be more a shipment point for Golden Triangle opium and heroin than anything else. Its own opium addiction is so large the kingdom cannot produce enough to supply its own needs. Thus, some of the Burmese opium is consumed here.

OPIUM POPPIES are grown by hill tribesmen in Luang Prabang and the northern provinces of Sam Neua, Xiang Khouang, Houa Khong, and Phong Saly, solely as a cash crop for the peasants.

Many of these areas are under the control of the rebel Pathet Lao, who reportedly have a deal pending with their North Vietnamese supporters to sell Laotian opium for medicinal purposes.

According to intelligence reports reaching the South, the Pathet Lao are hell on opium addicts. Reportedly, they chain addicts to posts in the hill villages and let them endure the tortures of cold turkey withdrawal.

Or they jam them into a well with a bucket and force them to bail out the water all day to work up a sweat as part of the cold turkey cure.

As a result, the Chinese smugglers are said to be in a cold sweat over the uncertain future of political events in this kingdom.

For they are caught between increasing American pressure on the royal government to

crush the opium and heroin trade and the possibility of a puritanical Communist regime that might chain them to a post in downtown Vientiane.

CHICAGO TRIBUNE  
22 AUG 1973

# Burma begins opium crackdown after tragedy hits children of elite

Chicago Tribune Press Service

ON THE LAOS-BURMA BORDER, Aug. 21—Politics and the opium traffic are inextricably woven into the tapestry of this lush land of jungles and towering peaks that has known only civil war and banditry with savage intensity for over a quarter of a century.

Until last spring, this portion of Southeast Asia's opium producing Golden Triangle area was the undisputed lair of Lo-Hsing-han, a 38-year old expatriate Chinese warlord known as the richest and most powerful of the heroin barons.

A ruthless man and an organizational genius, Lo and a private army of 3,000 to 5,000 seasonal jungle fighters known as the Khakwyei [KKY] operated in the Shan State of Northeastern Burma on the opposite bank of the muddy Mekong River, where this story is being written.

FOR YEARS, the Burmese military regime winked at Lo's traffic in narcotics in exchange for his doing battle with the Communist guerrillas and nationalist insurgents warring with the Rangoon government.

As a result, Lo had a carte blanche to traffic openly in the 400 tons of opium produced annually in the Burma area of the Golden Triangle, which is the source of 700 tons a year or more than half of the world's supply.

Authorities exercised little control over the vast areas of Shan State and Lo's presence with his army gave Burmese strongman Prime Minister Ne Win some measure of comfort.

WITHOUT A doubt, the Burmese had a problem.

More than 15,000 insurgents of every political persuasion denied Rangoon over 30 per cent of the country. And since a military rule of thumb holds that 10 soldiers are required to

hunt down one insurgent, the enormity of Burma's problem was readily apparent.

Lo and others of his ilk were free to engage in the opium trade with Lo building an illicit mercantile empire centered in Tachilek, a town not far from the Mekong River border with Thailand.

Here Lo assembled eight heroin refining laboratories and warehouses for storing his own opium and that of independent operators. He also trafficked in gem stones, guns and other contraband.

IT WAS A satisfactory accommodation for everyone but the United States, whose officials feared Southeast Asian heroin—probably the purest and deadliest of any in the world—would soon flood American shores as Middle Eastern sources dried up with the ending of Turkish opium production last year.

In the last two years, the U. S. repeatedly warned Burma that no nation was immune to the narcotics problem, especially among its youth. However, Premier Ne Win turned a deaf ear. His woes were political, not sociological.

But then an intensive campaign by American customs and narcotics agents, working across the Burma border with Thai and Laotian counterparts, began to bear fruit.

IT BECAME increasingly tough for Lo and other Chinese drug merchants to get their lethal wares to market in the Gulf of Siam ports thru which they could be funneled into the global narcotics pipeline to America.

Heroin began backing up in the Tachilek warehouses. Lo's lucrative smuggling became throttled by a lack of capital from the dope trade.

Lo began unloading some heroin into the larger cities of Burma itself. Last year, Ne Win discovered university students and some of the sons and daughters of Burma's elite had become junkies.

That's when the problem finally hit home. And that's when the Burmese began showing signs of cooperating with U. S. efforts to stamp out the Golden Triangle drug traffic.

BY LAST Jan. 1 Burma actually admitted in print that narcotics was a problem. Two years ago, it got no mention in the press.

And last April, the government ordered Lo's militia to turn in their arms to be assimilated into the regular armed forces. Naturally, Lo balked. He fled into Thailand with some followers and last July was arrested by Thai authorities near Chiang Mi, a northern provincial capital south of the Golden Triangle.

Lo was returned to Burma and slammed into Rangoon prison, where he remains today. His younger brother, Lo Hsing-min, was captured by the Burmese last May in Shan State and is also in jail.

The Burmese efforts have helped. However, the problems of controlling narcotics smuggling along the 1,500 miles of often inaccessible Burmese border with Laos and Thailand seem almost insurmountable.

THE BORDER, by its rugged nature, is porous. Ground patrol is often impossible. By following jungle trails and ridges, the Chinese dope caravans are difficult to spot, much less intercept.

Therefore, U. S. advisers are placing great emphasis on resettling the primitive hills tribesmen who have grown the opium poppy for centuries as their only source of cash or barter. American AID funds are being channeled into teaching tribesmen crop substitution.

But again, because of the

inaccessibility of this jagged terrain in the foothills of the Himalayas, what good is a corn or bean crop if a peasant cannot get it to market?

Further, as officials have told Rep. Morgan Murphy Jr. (D., Ill.), the Chicagoan here on a continuing three-year

overseas probe of the drug traffic, repeated opium poppy crops have drained the soil of nutrients and caused erosion and ecological problems.

GROWN AT altitudes over 3,000 feet, the poppies are often planted and harvested as many as three times a year, if the weather is right. The tribesmen also use a slash and burn technique, whereby the mountain slopes are cleared of trees and other foliage, then burned off before the planting. This also raises havoc with the land.

Altho the burmese are now talking antinarcotics cooperation with the Thais, they have still not agreed to any "hot pursuit" operations by either side across the borders. To date, cooperation is limited to exchanging information.

Burma claims to have destroyed Lo's laboratories at Tachilek and it says clandestine labs no longer operate on Burmese soil.

HOWEVER, hundreds of kilos of heroin continue slipping across the Thai-Laotian borders, so it is obvious the Burmese have to start talking more seriously about enforcement before any substantive blows can be struck against the Southeast Asian drug traffic.

Heroin is still turning up in Bangkok and other Thai ports. And the pressure for Golden Triangle dope is increasing as the billion dollar market represented by the more than 500,000 heroin addicts in the United States continues to lure the merchants of death.

More about that tomorrow and the hazards of fighting the drug traffic in these deadly mountains.

CHICAGO TRIBUNE  
23 August 1973

Bob Wiedrich in Asia

# Stopping Golden Triangle opium

Chicago Tribune Press Service

**BAN HOUEI SAI, Laos**—A man can easily die if he makes a mistake while hunting the drug caravans from these sullen, overcast skies over the jungles of Southeast Asia.

Belo, wild animals and hard-nosed, trigger-happy insurgents hungrily watch your passage. But just as real a threat is the Red Chinese influence from the North that tolerates no interference with what is politely labeled foreign aid to the Communist Pathet Lao—Peking style.

That's why it takes hairline navigation and razor-sharp wits to avoid getting suckered into following a phony Red Chinese radio beacon turned to the same frequency as that from the narrow airstrip at this Mekong River border town.

ONE GOOF and you'll most likely encounter a missile aimed at your gizzard by the Red Chinese batteries positioned along 200 miles of highway being built from Muang Sing on the border of Chin's Yunnan Province to Muang Pakbeng, just a few miles north of Thailand in the heart of the Golden Triangle opium poppy growing area.

According to reports here, Red Chinese radar-controlled guns and missiles downed two of the Central Intelligence Agency's Air American planes last year and another pilot who strayed too close had a foot blown off.

Therefore, the young American customs and narcotics agents who advise their Laotian counterparts on how to fight drug smuggling in this remote part of the world must tread carefully in the narrow corridor of air still controlled by the Royal Laotian forces.

THE RED CHINESE are reported rebuilding two other ancient trails to the west of their major construction effort, both of these also aimed like arrows toward the Thai border.

Theoretically, these Commu-

## traffic like plugging sieve

nist aid projects are intended to open up the Northern Laotian interior. But it does not take a strategist to figure out the main highway would also provide easy access to the Thai roads and a straight shot south thru Malaysia all the way to Singapore, were someone inclined that way.

That, of course, is not the concern of the narcotics fighters. However, it does increase the difficulty and hazards of their job. For trying to stop the flow of drugs from their source in the Golden Triangle area of Laos, Burma, and Thailand to the United States is like trying to plug a sieve.

AMERICAN advisers are proud of their low-paid Laotian students, whom they are seeking to strongly motivate in a culture that has never frowned on dope. Narcotics enforcement is not popular among Laotians. In fact, the drug traffic was not outlawed here until less than two years ago.

Opium addiction here is quite common, for the people are often subjected to the most debilitating diseases by the age of 40. Thus, opium smoking is regarded as a pain killer that gives the addict a few more years of dreamlike life and a happy death.

But in the United States, where there are more than half a million heroin addicts alone, high-grade Golden Triangle heroin is helping destroy thousands of young Americans in what President Nixon and the House Select Committee on Crime have characterized as a national emergency.

American advisers have helped Laotian customs men establish three patrol outposts along the winding Mekong River borders with Thailand and Burma. However, drug shipmen continue to get thru, and with good cause. It is impossible to appreciate how rough a task patrolling the Golden Triangle is without personally seeing the area.

PEOPLE BACK in the States think these drug routes are like the Los Angeles Freeway," said Rep. Morgan Murphy Jr. (D., Ill.), who is on his third visit to Indochina seeking information on how to stem the tide of drugs to Chicago and other American communities.

"Actually, they are nothing but goat trails. Even overflights by reconnaissance aircraft with the most sophisticated cameras can't find all of the smuggling routes."

Nor, for that matter, can they ferret out some of the other methods condoned by corrupt local officials, observers report.

For example, there is strong suspicion of the many aircraft called into the Ban Houei Sai airstrip by military commanders for what are believed to be phony tactical missions.

THE PLANES land, the pilots swagger into town, and return with mysterious packages, which are stowed aboard planes that local Laotian police dare not search because of the almost feudal power wielded over them by the military.

"Hell, this is Southeast Asia," an adviser said. "If one of them made a move toward one of those planes, the military OSS could have him shot right there on the ramp."

Almost involved in the battle against opium are elements of the CIA, whose unlimited cash resources the customs and narcotics men would love to command. But because the CIA's role in Indochina is more toward national security and intelligence gathering, its efforts against the dope trade are often diluted.

NEW YORK TIMES  
26 August 1973

## Harsh Action Urged To Stem Narcotics

Special to The New York Times

SEOUL, South Korea, Aug. 25—Representatives Lester L. Wolff, Democrat of Great Neck, said here today that he would urge Washington to take harsh actions, including an aid cutoff, against countries failing to cooperate in stemming the flow of narcotics into the United States.

Mr. Wolff, the chairman of the special House subcommittee on international narcotics control, visited several southeast Asian countries in the last two weeks. He said at a news conference here that "although cooperation is growing in this area, there still is much to be done."

The countries that he and two other members of the subcommittee have toured include the Philippines, Thailand and Laos. He observed, "There is insufficient surveillance in Hong Kong." He added and another "very vulnerable area" in the narcotics traffic are the offshore islands of China.

CHICAGO TRIBUNE  
24 AUG 1973

## Bob Wiedrich in Asia

Chicago Tribune Press Service

BANGKOK, Thailand, Aug. 23—The stakes are so high in the international drug traffic to the United States that people are even willing to risk the death sentence here to cash in on a piece of the action.

Despite having had more than its share of police and other officials corrupted by the fortunes involved in narcotics, Thailand is one Southeast Asian country that has taken the initiative in attempting to suppress the trade.

Execution is one of the penalties that is imposed on heroin manufacturers and traffickers. Prison sentences of up to 25 years without parole is another.

STILL THE heroin merchants and couriers—expatriate mainland Chinese as well as Americans and other foreign nationals—continue running extreme risks because of the billions of dollars to be made moving the merchandise that is contributing to the physical and mental destruction of many young Americans.

So every year, as enforcement procedures become more strict thru cooperation with U. S. customs and narcotics agents based in Indochina, the dope racketeers must devise new methods to get their deadly cargos thru.

The shrewd Chinese, who are the backbone of the Southeast Asian traffic in high grade heroin, are the most imaginative.

USING SEVERAL export-import firms as fronts for their operations here in Bang-

kok, the Chinese have slipped kilo lots of heroin out of Thailand concealed in parquet flooring blocks, false bottomed suitcases, ivory elephants, and the false bottoms of animal and reptile cages.

In one instance, they are known to have stashed a load of No. 4 Indochina heroin—probably the strongest produced anywhere in the world—in the body of a dead cobra dumped into a cage of live snakes en route to the States for sale to zoos.

That load, incidentally, was stopped. But it is estimated as much as 20 kilos of the 90 to 95 per cent pure Southeast Asian heroin got to the United States from here last year with a street sale value of \$6.5 to \$7 million. Largely thru the efforts of Chinese dope syndicates operating thruout Indochina, Malaysia, the Philippines, and Hong Kong.

HOWEVER, AN equally tough group to intercept are the independent American entrepreneurs who figure on making a quick, one shot killing in the drug market. Many of these are former GIs who had their first taste of heroin during the Viet Nam War.

In fact, American officials here report 95 per cent of the American citizens arrested on narcotics charges in this part of the world are ex-service men, six of whom are serving sentences in Thai prisons.

What makes taking the risks attractive are the fantastic profits to be reaped from a minimal investment.

FOR EXAMPLE, an independent operator can buy a 1st class ticket to Bangkok for \$1.

# Big profits spur dope smugglers to

## CHINESE focus

Communists in 1949.

800 in San Francisco, jet here in a matter of a day, then spend an average of \$200 a day in high living while spending \$100 for an ounce of the high grade No. 4 heroin. Within 24 hours, he can be on his way home to turn a \$7,000 profit.

Very often such independents are hard to identify because they are not professional traffickers. They are even harder to collar while carrying such relatively small amounts of dope.

They may take an ounce of heroin encased in a balloon, plastic bag, or plastic pill case and swallow it, then take medicine to insure the drug is not passed by their body until it is safely back in the U.S.

IN SEVERAL instances, tho, such schemes have failed with fatal results when the packet of almost pure heroin broke inside the courier's body and the drug spewed into his system.

The real wheelers and dealers among the Americans are out to make far greater profits, for if they can get just one kilo of heroin back to the U.S., they are assured of a \$25,000 to \$50,000 profit before it is diluted for street sale. A kilo can be bought for as little as \$1,000 to \$2,000 in Thailand.

Thus, if an independent can smuggle thru a couple of loads like that, he can retire for life, probably at the age of 25.

THE REAL professionals, however, are the Chinese who have, continued a more than 2,000-year tradition of dope smuggling since being driven from their homeland by the

They know how to slip two kilos of gold past customs officials buried in a shipment of eight lobsters. So there is no reason they cannot smuggle a kilo of heroin in a 100-pound sack of rice, tons of which are in transit thruout this land every hour of the day and night.

Officials here have told Rep. Morgan Murphy Jr., [D., Ill.] that the Chinese merchants of death are in a sweat at the moment. Murphy is conducting his third international investigation of the drug traffic.

ENFORCEMENT efforts throughout Southeast Asia by a multinational alliance of customs and narcotics men is forcing the traffickers to find new routes.

Narcotics are backing up in such traditional outlets in the opium poppy growing areas of the Golden Triangle as Vientiane, Laos; Tachilek, Burma; Chiang Mai; and Chiang Rai, in Northern Thailand, and right here in Bangkok, the center of Gulf of Siam smuggling operations.

Recently, Pedro Woo, the Chinese operator of an apartment hotel at the Vientiane airport, was arrested with \$6 million worth of morphine base, from which heroin is made.

AGENTS REPORT he had been desperately strength-arming airline pilots who bunk at his hotel to spirit the stuff out to Manila, P.I., or Hong Kong, but no one would touch the load, even tho' it is more easily moved in that form than as refined heroin.

Bob Wiedrich in Asia

25 AUG 1973

# Drug smugglers seek new pipelines to U.S.

Chicago Tribune Press Service

BANGKOK, Thailand, Aug. 24—Southeast Asian Chinese drug dealers are mounting a frontal assault on the United States in frantic efforts to pump high grade heroin into the American market.

In recent months, the Chinese are known to have offered a fortune in payments to American undercover agents posing as potential narcotics couriers in the deadly battle to stamp out the flow of heroin at or near its sources in the Golden Triangle area of Thailand, Laos, and Burma.

The Chinese 'dope peddlers' are seeking new routes to mainland America as increasing pressure is brought on the traditional heroin and opium pipelines thru Hong Kong and other major transshipment points in the Orient.

THE MERCHANTS know the United States represents the most lucrative marketplace for their wares as opium supplies from the Middle East dwindle because of continuing American efforts in Turkey, France, and elsewhere in Europe.

American narcotics agents here know the Chinese are interested only in moving large heroin shipments of 100 kilos or more, fully aware the stuff is worth \$250,000 a kilo when diluted for street sales in Chicago and other American cities.

Thus, as the conventional heroin routes are denied them, the Chinese are expected to seek new channels, quite possibly thru South America and Mexico, which already are heavily engaged in smuggling drugs from Europe and Latin America.

Federal agents in Southeast Asia fear the heroin smugglers may reach an accommodation

with South American organized crime syndicates that have connections in the United States and a long tradition of expertise in smuggling thru Mexico and Southern Florida.



LARGE concentrations of overseas Chinese in Argentina and Brazil also pose the threat of a new drug smuggling connection to the states, agents here report. And there is growing concern that the influx of Indochina heroin—the purest and deadliest in production—may be joined by raw opium from India, the world's largest producer of legitimate opium for medicinal purposes.

Rep. Morgan Murphy Jr. (D., Ill.), who is on his third trip to investigate the Indochina drug traffic, has been told intelligence reports reaching here indicate as much as 25 per cent of the legal Indian opium already may be being diverted to illicit channels. Indian authorities deny the reports.

The Indian opium contains less morphine base for the manufacture of heroin than the high grade narcotics spawned by the Golden Triangle area. But when added to the overwhelming onslaught of drugs from Southeast Asia, the total presents a serious threat to the young Americans at whom the traffic is aimed. The Golden Triangle alone produces over 700 tons of opium annually, an amount capable of producing 70 tons of 90 to 95 per cent pure heroin for the more than 500,000 Americans addicted to the drug.

IT IS believed the illicit Indian opium is smuggled into Indochina for conversion to morphine base and heroin. And because morphine base is more easily concealed and less

American narcotics agents are fighting an intensive battle in Southeast Asia to plug the traditional methods drug traffickers have been using to get their deadly cargo to 500,000 American addicts. Their efforts are paying off and have forced Chinese dealers to seek new pipelines to the United States. Tribune columnist Bob Wiedrich reports on some of those new channels.

prone to deterioration during transit than heroin, there is a trend toward moving the drug in that form.

Much of the bankrolling of the narcotics traffic is also handled by the Chinese, most of whom fled mainland China after the Communist takeover in 1949.

They operate primarily thru black market banks thruout this part of the world, avoiding, for the most part, legitimate banking channels. Therefore, even their financial transactions become more difficult to trace.

IN SOME instances, Chinese traffickers have been known to carry a clandestine bank draft representing hundreds of thousands of dollars in a series of scribbled Chinese characters written on a scrap of paper the size of a postage stamp. Reportedly, the drug merchants also make liberal use of secret Swiss bank accounts to disguise and safeguard their illicit profits.

As in many criminal enterprises, the Chinese assemble a group of investors to finance the shipment of a heroin load. That way the risk is spread among the shareholders and no one individual gets hurt badly or wiped out if the load of drugs is intercepted by authorities.

And again, because of the devious methods used by the Chinese, it is often difficult for undercover agents posing as American buyers or couriers to penetrate the Southeast

Asian syndicates and identify higher-ups. The real money makers are always well insulated from the lower level traffickers.

In many cases, American agents have found that the clannish Chinese dealers will associate only with other Chinese.

As a result, U.S. agents must devise a continuing series of ploys in efforts to penetrate the Oriental syndicates operating thruout Indochina and Malaysia.

Often, they must rely on Oriental informers who are more readily accepted than the Caucasian agents. However, some Americans have successfully gained the confidence of those Chinese whose greed sways their better judgement. And in such cases, the merchants have been packed off to jail and their shipments confiscated here and back in the United States.

NO ONE really knows, however, how much of the drugs are being carried to the U.S. by the so-called "mules"—merchant seamen, traveling or vacationing Americans, and others who take a one shot flyer into the narcotics traffic and never do it again.

Their identities are difficult to ascertain and it is an almost hopeless task to search every traveler to the United States, unless there is advance intelligence information of a shipment or cause to suspect them as couriers.

Tomorrow: Two 27-year-old former GIs relate in their own words from a Thai prison how they got involved in the drug traffic and wound up serving 5- to 20-year sentences in a foreign jail with no hope of parole,

CHICAGO TRIBUNE  
29 AUG 1973

Bob Wiedrich in Asia

## Hong Kong is major hub for Asian

Chicago Tribune Press Service

HONG KONG, Aug. 28 — This British crown colony was founded in 1841 to promote the opium trade with mainland China. But now the problem has come full circle and the shoe is on the other foot.

Opium addiction, for all practical purposes, is nonexistent in Communist China. But Hong Kong has the worst opium addiction problem per capita of any place in the world — at least 100,000 [some say 150,000] of a population of 4.5 million.

Granted, the People's Republic of China solution to addiction after the Communist takeover in 1949 was less than humane. Top dope peddlers were rounded up and shot. And the addicts — estimated at 10 million then — were given a period of time in which to cure themselves or face jail, hard labor, or death.

Of these, some 300,000 are said to have finally been executed as the Socialist solution to a pressing problem.

Nevertheless, today the Peking government has no addiction problems. Conversely, the British administrators of this colony do. And so do the Americans, whose Yankee Clipper ships got into the opium trade, too, hauling opium from Turkey while the British did the same from India thru their East India Company.

Further, if there is tragic justice to be found in this historic turn of events, witness the fact many of America's more than 500,000 heroin addicts were initially hooked on Turkish drugs. Now they face continued hell because of Southeast Asian heroin, much of which funnels thru Hong Kong en route to world markets.

IN ORDER to have any chance of intercepting the

drugs arriving here aboard Thai trawlers from Bangkok, the vessels must be stopped somewhere in the South China Sea.

Otherwise, once they are off-loaded into junks and lighters on the far side of the Lima Islands 60 miles south of here, the opium, morphine base, and pure heroin disappears into a mass of junks and other fishing craft. There are 30,000 such craft alone registered in the colony.

Also, it seems almost impossible to stop the flow of drugs from Indochina by direct search of aircraft, ships, and passengers.

Annually, 20 million tons of cargo move thru the port, over 7,800 shipping movements occur, excluding the junks, and there are at least 21,000 air cargo and passenger flights, plus 8.4 million travelers, mostly by air.

COUPLE THESE figures with the reported 30 clandestine heroin laboratories so simple they can be hidden in a kitchen or bathroom of overpopulated Hong Kong's housing and one begins to grasp the enormity of the problem facing authorities here.

The British and South Vietnamese, plus American narcotics agents stationed throughout Southeast Asia, have done a remarkable job intercepting some of the narcotics loads headed here by trawler.

In recent months, a Thai trawler captured off Viet Nam yielded 6 tons of opium destined for Hong Kong. Another contained one ton for Saigon and probable transhipment here.

But once the drugs disappear into the rabbit warren of housing in this crowded, 26 square mile colony, it is virtually impossible to ferret them out. Some of the heroin labs are so simply designed they can be packed up and spirited away within minutes of a warning of approaching police sounded by lookouts.

THAI TRAWLER traffic has stopped in recent weeks because of British and American pressure here, plus Thai efforts at the behest of Americans in Bangkok.

However, British officials are not deluding themselves. They are certain the expatriate Chinese masterminding the Indochina dope traffic will switch to airplanes or merchant ships if need be, if only to supply the 100 tons of opium required to supply the colony's opium smoking and heroin addicted population.

For about five years, Thai trawlers virtually ran a ferry boat service to the colony.

Most of the outgoing heroin, the British believe, was picked up by Americans flying directly here from the states. They concede, tho, no one really knows how much funneled thru by other means.

WHILE WE were here with Rep. Morgan Murphy Jr. [D., Ill.], the Chicagoan on his third trip investigating the Southeast Asia narcotics traffic, a Hong Kong ship's cook was arrested in Hamburg, Germany, with 3.3 pounds of heroin strapped inside a trouser leg.

Devious as that route may seem, American agents know narcotics are being smuggled thru Hamburg and other North German ports from the Middle East for refining in heroin laboratories at Marseilles and

eventual sale in the United States.

The 90,000 to 100,000 sailors of the United States 7th Fleet, who take shore leave here annually, also pose a drug problem for authorities.

LAST YEAR there were seven deaths among the Navy men from drug overdoses, six of them in the last four months of 1972. This year, there has only been one such death to date.

No one during this investigation of new developing drug routes to the U.S. from the opium producing Golden Triangle area of Thailand, Laos, and Burma has charged Red China with involvement in the dope traffic.

ONLY THE Nationalist Chinese on Taiwan foster this story, which everyone we have questioned considers a myth. In fact, it is a tale the expatriate Chinese narcotics merchants in Southeast Asia are suspected of creating themselves in an attempt to divert attention from their operations.

Not long ago, a load of opium seized aboard a Hong Kong junk was found to be packed in cartons bearing the label, "Made in the Peoples Republic of China."

However, the water-proof inner packaging was exactly the same as previous shipments from Thailand, reasonable evidence that someone was trying to blame Peking.

WASHINGTON STAR  
29 August 1973

# U.S. Takes Seriously Arab Oil Threats on Israel Aid

By Oswald Johnston  
Star-News Staff Writer

After months of seeming indecision, the administration has given its first tangible sigh that it takes seriously Arab threats to limit oil production if the United States does not cut back military and political support for Israel.

President Nixon has chosen for the next ambassador to Saudi Arabia a recognized expert on the world petroleum market who rejects openly the official State Department argument that a Saudi threat to hold U.S. policy hostage to its immense oil resources is no more than "press speculation."

The ambassador-designate, James E. Akins, is the first diplomatic nominee to be announced since Henry A. Kissinger was tapped to take over as secretary of State. In a news conference last week, Kissinger hinted that the Middle East is one area in which new departures in policy might be necessary to bring a dangerous political stalemate to an end.

Akins' nomination comes at a time of growing awareness in the United States and the Middle East alike that increasing American dependence on Arab oil represents an increasing Arab leverage on American policy.

THIS HAS become doubly apparent in recent days. Egypt's President Anwar Sadat has this week completed an intensive diplomatic campaign to harness Saudi oil wells to the Arab confrontation with Israel and to ease his own dependence upon the Soviet Union.

Despite quiet disclaimers from State Department officials, there is every reason to think that he has succeeded.

In the past six months, there have been these significant developments:

• A pointed warning by Sheikh Zaki Yamani, the Saudi petroleum minister, that he opposes the future increases in Saudi production that would be necessary if projected American fuel needs are to be met.

U.S. support of Israel was given as a prime reason for his reluctance.

• A more pointed repetition of Yamani's warning by

## Interpretation

King Faisal — the one man who has power to decide how Saudi resources are to be used. The Saudi monarch intervened earlier this summer in a rare interview granted jointly to the Christian Science Monitor and the Washington Post.

It is understood Faisal himself initiated the interviews because he feared that Secretary of State William P. Rogers and his Middle East deputy, Asst. Secretary Joseph J. Sisco, misunderstood Yamani's message.

• Reports from Cairo that Faisal for the past six months has sought to step up the payments, about \$100 billion a year, Egypt has been receiving from Saudi Arabia under the Arab summit agreement after the 1967 Six-Day War. Reports are circulating that Sadat has agreed to move still further away from Egypt's earlier dependence on the Soviet Union, in deference to Faisal's traditional abhorrence of Communism. The quid pro quo, it is suggested, is the new Saudi campaign to influence U.S. policies.

The estimation among petroleum experts here is that Saudi Arabia must step up production to 20 million barrels a day if American needs are to be met. Current daily production is nearly nine million barrels, up from an average of six million last year.

OIL EXPERTS have recognized for several years that increasing prices for Middle East crude diminish the economic need for the Saudis to increase total production. Too much production, it is recognized, will put too much of the real wealth of a one-product economy into depreciable currencies, while oil reserves underground can only increase in value per barrel in the foreseeable future.

Accordingly, it is widely argued that the Saudis will have to be given an overriding political reason to pump their oil, and deplete their resources, beyond their need. U.S. support of Israel is obviously not that reason.

The State Department has been reluctant to accept this argument, and officials reject its consequence that Saudi Arabia may emerge as the spearhead of a concerted Arab commercial counterattack upon the United States.

State officials concede that the Saudis can offer Egypt even more support over the short run than can the oil-rich, but radically anti-Western regime of Libya's Muammar Kadafi.

"THE REAL task is not in Libya, it's eastward," one official remarked recently as he studied reports of Sadat's just completed visit to Saudi Arabia even while the Sept. 1 deadline for the scheduled Egypt-Libya merger approached.

Nevertheless, the State Department attitude to Saudi warnings on oil policy is that there has been no tangible evidence that production will not continue to be increased to suit American needs. Faisal's press interview is discounted, and his message is dismissed as "speculation."

Akins, now chosen to represent the United States at Faisal's court, rejects this view. According to informed sources close to the administration's developing fuel

policy, Akins sees his assignment as a two-fold task: to persuade the Saudis not to limit oil production, and to persuade them not to raise prices.

In the present climate, one well-placed source speculated, his chance of success is "about two percent," and the real likelihood is not only that prices will go up, but that Saudi production will be cut — not merely held back.

EARLIER this year, Akins, on State Department loan to the White House energy task force, sought to influence the administration's fuel policy by advocating such stringent conservation measures as imposing a five cent a gallon gasoline tax and establishing an automotive horsepower tax.

Those proposals were shot down by economic conservatives who then dominated Nixon's domestic policy, and last spring Akins and the White House staff were barely on speaking terms. At that stage, Akins reportedly gave serious thought to leaving government service.

His return to prominence with the nomination to the Saudi post has been rumored for more than a month by sources close to the administration's reorganized energy management team — although such rumors were discounted by the State Department.

THE GUARDIAN, MANCHESTER  
13 August 1973

JOHN GITTINGS reports on overlapping between 13 of 17 underwater claims by South Korea, Japan, and Taiwan, with China reserving her rights

# Asian tangle in scramble for seabed oil

THE SCRAMBLE for oil in the East China Sea seemed to be at flashpoint three years ago, when protests were flying between Tokyo, Taipei, Washington, and Peking over the disputed Tiaoyu Islands.

Today, the dispute over control of the potentially oil-rich underwater resources of this area is muted. The diplomatic thaw between the United States and China, with Japan in their wake, has made it an apparent non-issue, about which no one likes to talk too much.

But the problem now is not who will protest at whom tomorrow, but how in the long run the whole sticky tangle can ever be sorted out. A recent map prepared by the US State Department shows considerable overlapping between 13 out of the 17 underwater claims sponsored by South Korea, Japan, and Taiwan. China and North Korea have not yet made any specific claims, but both have reserved their rights in general terms.

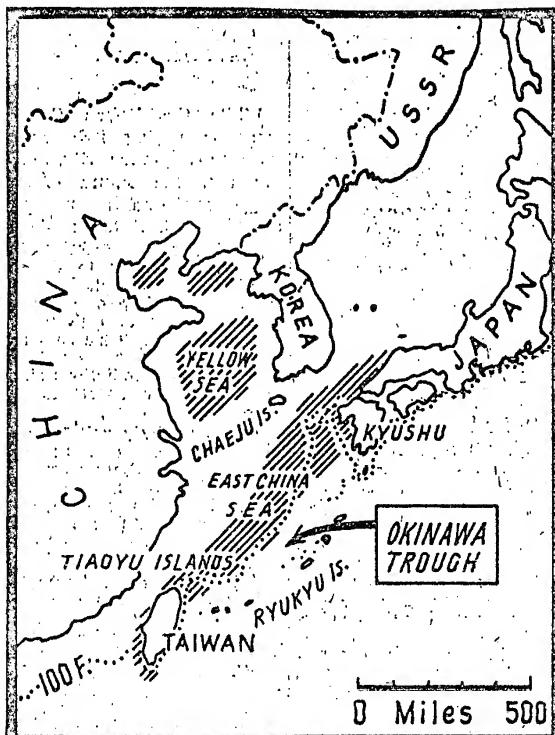
According to a detailed study in the latest issue of Harvard University's Studies in East Asian Law, any attempt to reach agreement on the continental shelf off China will make the North Sea shelf agreement seem like an elementary exercise for international lawyers. The author, Dr Choon-ho Park of the Harvard Law School, concludes that "the problem of boundary delimitation here involves almost every conceivable difficulty which the [1958 Geneva] Convention was intended to prevent or solve."

The only agreement reached so far has been between Japan and South Korea, who in May this year agreed to defer decision on the area south of Chacju Island where sovereignty is disputed, and conduct explorations jointly. Four oil companies, including Royal Dutch Shell and Texaco, are now conducting seismic surveys off the Korean coast.

But the Seoul-Tokyo agreement was signed only weeks after a Chinese protest at the drilling operations of one of the foreign companies which, said Peking, was part of the design of the "international oil monopolies" to "grab China's coastal seabed resources."

And it was followed by an even sharper protest from North Korea, who denies that the South has "any right of competence to strike a bargain with anybody about our continental shelf."

In its protest to South Korea, Peking referred to "the areas of jurisdiction of China and her neighbours in the Yellow and East China Seas as a matter



Prospective oil and gas fields beneath the Yellow Sea and the East China Sea.

subject to future delimitation. So China does not deny that this is a negotiable issue, and in the Foreign Ministry in Peking they are apparently well informed on all the legal precedents. But this is where the difficulties only begin.

One problem is that two separate principles have now been established in international law to deal with the division of sovereignty over the continental shelf. The first, which is based on the 1958 Convention, lays down that the boundary shall generally be the "median line" between two adjacent states.

The second, arising out of a North Sea decision by the International Court of Justice in 1967, sees the shelf as a "natural prolongation of land territory" which does not necessarily have to be divided up equally.

In this case the continental shelf between China and Japan is broken, closer to the Japanese side, by a deep fissure known as the Okinawa Trench. The "median line" principle would give Japan rights on the mainland side of this trough.

The "natural prolongation" argument would limit Japan to a smaller slice on its own side of the trough.

"the Okinawa Trench. A more exotic argument on Peking's side, which shows that the Tiaoyus were traditionally thought of as Chinese, is an Imperial edict of 1893 in which the Empress Dowager Tzu Hsi awarded three of the islands to a loyal minister "for the purpose of collecting medicinal herbs."

Another problem is quite simply how any agreement can ever be reached over the oil resources of the East China Sea so long as Taiwan continues to exist as a separate entity, purporting to license prospectors in the area. Since well before Mr Nixon's visit to Peking, Washington has tried to dissuade American companies from taking up oil contracts with Taiwan, but explorations continue in the area under a flag of convenience.

The usual metaphor is inappropriate. It is the oil which troubles the waters in the East China Sea, and further south as well. In the last two months alone the regime in Saigon and — even in its extremity — Phnom Penh have signed oil concessions with Western companies, over the protests of the rival revolutionary governments of South Vietnam and Cambodia.

NEW YORK TIMES  
20 August 1973

## U.S. Lags in Giving Support to Banks Aiding Poor Nations

By EDWIN L. DALE Jr.  
Special to The New York Times

WASHINGTON, Aug. 19—An unfinished highway in Ohio, the Japanese ancestry of a Senator and the Chicano constituency of a Congressman are among the many forces at work in Congress that are threatening to frustrate what the Nixon Administration regards as an important part of its foreign policy.

The issue, which gets little public attention at home but a good deal abroad, is the lagging American contribution to the resources of the international lending institutions that aid the economic development of the poor countries. The institutions are the World Bank, the Inter-American Development Bank and the Asian Development Bank.

For about five years the Administration has encountered gradually increasing difficulty in winning Congressional assent to the agreements establishing the United States contributions, which are now far behind schedule. Four separate committees of Congress are involved, and even if the committee stage is hurdled, floor action in both House and Senate is increasingly unpredictable.

With the United States foreign aid program dwindling—the bill for this year barely passed by the House last month provided less than \$1-billion in economic aid for the whole world apart from Indochina—the contributions to the international banks are seen by the State and Treasury Departments as the chief remaining sign of United States interest in the nearly 100 poor countries.

"This frustrating business is complicating things for us elsewhere," says Paul A. Volcker, Under Secretary of the Treasury for Monetary Affairs. "It is subject to the interpretation that we are going isolationist. In matters like trade and monetary reform, the less-developed countries are less enthusiastic with us than they might otherwise be."

Congress, or at least an apparent majority of Congress, seems to be unimpressed. This is the current evidence.

The United States is more than a year behind schedule in the current round of contributions by the rich countries to the International Development Association, the World Bank's subsidiary, which helps the very poorest of the poor countries with easy-term loans. The other

industrial countries had to volunteer their subscriptions before they were legally obliged to do so to prevent the association from stopping operations altogether last year.

Congress has still not approved the United States pledge of \$100-million to the comparable division of the relatively new Asian Bank first agreed upon three years ago.

Congress last year approved only half of the pledged amount for the Inter-American Bank, and a further cut is threatened this year in the \$500-million requested.

### Laborious Talks on Share

In all of these cases, the United States share of the contribution was worked out in laborious international negotiations, conducted mainly by the Treasury Department. The United States share in the International Development Association, for example, is 40 per cent.

Why the Congressional hostility?

One part of the answer is exemplified by the case of Representative Clarence F. Miller, Republican of Ohio, a member of the appropriations subcommittee that handles funds for the international banks.

Part of Mr. Miller's district lies in Appalachia and President Nixon's budget austerity has resulted in the halting of construction on a half-finished highway there. Mr. Miller is furious and believes that his district should come ahead of little-known international lending agencies of which his constituents have barely heard.

Representative Edward R. Roybal, Democrat from Los Angeles, is another member of the subcommittee. Mr. Roybal is said to have soured on the Inter-American Bank because, in his view, it has not hired enough Spanish-speaking Americans.

An ironic case is that of Senator Daniel K. Inouye, Democrat of Hawaii, who heads the Senate appropriations subcommittee. Senator Inouye, a member of the Watergate investigating committee, was called "that little Jap" by John J. Wilson, the attorney for H. R. Handeman and John D. Ehrlichman, the former Presidential assistants.

In fact, one of Senator Inouye's chief concerns about the international lending agencies is his fear that Japan is coming to dominate the Asian Bank, which makes him reluctant to approve a large United States contribution.

Meanwhile, because of Congressional delays and doubts, the American share in the capital of the bank has dropped to only 9 per cent.

Of deeper importance than these particular cases is the general apathy, and even hostility, in Congress about foreign aid in general, of which the international banks are an important part. The House passed this year's foreign aid bill by only five votes, and at one point last year the Senate voted to kill the aid bill altogether.

"One of our problems," says John M. Hennessy, Assistant

19 August 1973

## U.S. Shortages Peril World Food Aid Plan

### Supplies for 80 Million Needy Overseas Will Have to Be Cut Back or Abandoned

By KATHLEEN TELTSCH

Special to The New York Times

UNITED NATIONS, N. Y., Aug. 18—In Colombia's poorest rural areas, a school-lunch program faces shutdown. Elderly patients in a hospital in Haiti will have to go without an extra daily hot meal. And in India, the promising development of a new food for babies is threatened.

These operations and hundreds more will be abandoned or drastically cut back in coming weeks because private United States relief agencies will no longer have the commodities to continue helping 80 million to 100 million needy people in 100 countries around the world.

The agencies have been informed in the last week by Washington officials that the Department of Agriculture will not be able to purchase commodities for the Food for Peace program during August and possibly not in September.

Moreover, the agencies were told the commodity situation was so unsettled that it was uncertain when they could again expect to get supplies of wheat, flour, vegetable oil and other foodstuffs on which they have based their free distribution of relief overseas for almost 20 years.

The effect will be calamitous, according to administrators of

Secretary of the Treasury for International Affairs, "is that the people in Congress never hear from home about this."

Mr. Hennessey and others argue that the United States would take "real risks" if, by finally abandoning its contributions to the international banks, it showed a lack of interest in the underdeveloped countries.

"There is a race for raw materials in the world," he points out. "We cannot be pushing for international solutions in the trade, monetary and investment fields and fail to pick up our part of the burden in the fourth area—providing resources for the developing countries."

Meanwhile, most of the other industrial countries have expressed a willingness to approximately double their contributions in the next round. Given the problem of Congressional attitudes, the United States negotiators have been able to make no commitments so far.

the voluntary agencies, as they are called.

"I have not seen a situation like this in my 28 years in overseas assistance," said Fred W. Devine of CARE—the Cooperative for American Relief Everywhere. "It's going to be disastrous."

CARE and Catholic Relief Services operate the two most extensive programs supplying supplementary foods to the poor. The Catholic agency cares for 10 million of the "poorest of the poor," said Bishop Edward E. Swanstrom, executive director. The relief activities in more than 50 countries will have to be terminated by the end of the year, he said, unless the Agriculture Department resumes buying and distributing commodities.

The voluntary agencies get

their relief goods for distribution without cost under United States Public Law 480, which is

the basis for the Food for Peace

program. The same legislation

provides for assistance to such

operations as the United Na-

tions Children's Fund, the Aid

Program for Palestinian Refu-

gees and the World Food Pro-

gram. So far they have not

been advised officially of pend-

ing cutbacks.

Under the law the Adminis-

tration must first satisfy do-

mestic requirements including

aid for poor Americans, must

meet foreign sales commitments

and provide a carry-over of

supplies before taking care of

the agencies which are at the

bottom of the list.

When the law was enacted

in 1954 there were surplus sup-

plies of dairy products and free

distribution to the needy—a

humanitarian way of disposing

of the surpluses. Later, with

bumper crops of wheat on

hand, grains were added.

But all of the commodities

traditionally used for relief

have been in short supply in

recent years. The Soviet Un-

ion's purchase last year of one

quarter of the United States

wheat crop sent the market

price soaring, but in trade cir-

cles spokesmen maintain that

the crisis in grain was brought

on by a combination of cir-

cumstances, including droughts,

poor harvests and floods in

many of the wheat-producing

areas as well as the big Soviet

purchases.

Because officials of the vol-

untary agencies have been anx-

iously watching the commodity

market, they anticipated dif-

CHRISTIAN SCIENCE MONITOR  
30 August 1973

## Narcotics use declines in U.S. armed forces

By Dana Adams Schmidt  
Staff correspondent of  
The Christian Science Monitor

### Washington

The Pentagon has asked for research on methods to test servicemen for the abuse of the two favorite drugs in Europe — mandrax and hashish.

This was disclosed by Dr. Richard S. Wilbur, Assistant Secretary of Defense for Health and Environment, who reported that the services were making headway against most types of drug abuse in the U.S. military, but had no means of controlling these two.

Mandrax is a form of methaqualone, a type of sleeping pill, which some servicemen have used instead of barbiturates.

Hashish is a concentrated form of marijuana, derived entirely from the berries of the cannabis plant. Like many other drugs, it is easily available in Germany and has been more widely abused by American servicemen there than heroin.

### Status report

Dr. Wilbur's report at a Pentagon news conference this week emphasized that overall statistics indicated that drug abuse was declining among American servicemen around the world.

Although the worldwide percentage of drug positives among U.S. servicemen and women was only 0.7 percent during 1973, troops in Germany had considerably higher test results.

Of those tested there, 2.8 and 2.9 percent showed positive in January and February, gradually declining to 2.0 and 1.8 percent in May and June.

The drugs most frequently abused — as indicated by these analyses — were amphetamines, commonly referred to as "speed," which was taken by 51 percent of those registering positive. Thirty-eight percent were positives for opiates, mainly heroin, and most of the rest were barbiturate positives.

A special test in Thailand showed a decline in positives from 1.4 down to .5 percent between January and June of this year.

many years.

"We have tried to get people to learn to help themselves by using food as a tool," explained Anthony Fodda of Catholic Relief Services.

Dr. Wilbur showed satisfaction with the armed forces' performance in rehabilitation of drug abusers. His figures showed that of 83,874 individuals identified as drug abusers between June, 1971, and March, 1973, the armed services had succeeded in returning 48.0 percent to duty. Still undergoing rehabilitation were 17.3 percent and discharged after rehabilitation were 29.3 percent; 5.4 percent were transferred to veterans hospitals for additional treatment.

"Rehabilitation varies a good deal," Dr. Wilbur admitted. "It's a relatively new program and we've had to train a great many drug counselors, but the ability to rehabilitate is improving really exponentially. We feel that we will have an entirely satisfactory rehabilitation program over a period of the next few months."

To illustrate how many different approaches there can be to the matter of rehabilitation from drug abuse, he described the method adopted by the Navy at Subic Bay in the Philippines in determining who was a "drug positive."

"They said, 'We first take the lab positives, eliminate those that have legal prescriptions, and then we examine for needle tracks.'

"As you know in the drug taking in Southeast Asia most is done by mouth, by nose, by smoking. Very little is done by needle, so this is rarely ever found."

"We look for evidence that he's under the influence, which is also uncommon when one has an appointment with a doctor a day or so ahead. We then tell him that anything he says may be used against him and ask him if he's a drug user. And they all say no. Therefore, he is put down as a negative and put on a surveillance program for eight weeks at three urine tests a week. Very few of the men ever have a second positive."

Dr. Wilbur observed that the system might not be statistically sound but "I personally like the Navy approach."

ficulties even before they were invited to a recent meeting with Daniel E. Shaughnessy, associate coordinator of the Food for Peace office of the Agency for International Development.

At the meeting at the headquarters of CARE the message was as plain as the luncheon fare of hero sandwiches and coffee in containers.

Mr. Shaughnessy said that the Agriculture Department had made no purchases in July or August and probably only small quantities of commodities would be procured in September. He said that the department was not going into the grain market to make further purchases until it completely reviewed the commodity situation and assessed the needs for domestic use and foreign sales in light of a revised crop estimate. This estimate showed lower production of wheat and other grains than had been forecast earlier.

Some of the agencies countered with an appeal saying they did not want foods to be diverted from American consumers but asked that 1 percent be held back from allocations for sales abroad and be earmarked for Food for Peace.

An extensive review of the commodities situation now is under way in Washington, and the decision will be made "at the highest level," according to spokesmen at the Agriculture and State Departments.

Meanwhile, Church World Service has sent its representatives in the field a terse announcement that shipments for October through December "will be nil." Most of the program goes to help preschool children.

The American-Jewish Joint Distribution Committee intends cutting back on some of its services so as to be able to buy bread for such operations as the soup kitchens run in Morocco.

"But where can we buy bread at prices we can afford?" asks Abe Loskove, director of community relations. In Morocco, the agency's program goes to Moslems as well as Jews.

CARE already has been receiving cables from field offices saying that reserve stocks have been exhausted, said Mr. Devine, the deputy executive director. After years as a field worker, a paralyzing illness has confined him to a wheel chair, but he still runs the agency's supply program for 30-million people in 34 countries.

CARE will juggle what's left of its dwindling supplies as long as it can, but unless the Agriculture Department provides new commodities by September, there will be a breakdown in the pipeline of supplies in 20 countries, according to Frank Goffio, CARE's executive director.

All of the agencies' directors stress that a delay of even three months in shipments risks the collapse of distribution services that have been developed over

# U.N. to Study Multinational Corporations

By Marilyn Berger

Washington Post Staff Writer

The giant international corporations—which have been praised for developing the wealth of the world and damned for subverting the political processes of some countries—are about to come under the scrutiny, but probably not the control, of the United Nations.

To launch the study the United Nations issued a 195-page report last week about the huge, world-wide business enterprises, many of which have financial activities exceeding the majority of the U.N.'s member countries. The report is admiring of the "flexibility" and "resourcefulness" of the multinational corporations. At the same time it warns that regulation by some higher power is inevitable.

It calls for "some form of accountability to the international community," but suggests the establishment of no more than a forum as a starting point. Other suggestions include studies to collect data, establishment of a code of conduct, and in a somewhat bolder vein, the monitoring of corporate activities.

"Many key issues already identified do not lend themselves to frontal attack at the international level, given the present world realities," the report stated. "An untimely debate on solutions on which no possible agreement can be reached may in fact block progress."

The report traces the dramatic growth of the multinational companies—mainly in the manufacturing and extractive industries—since the end of World War II. It notes the "high degree of concentration" of the multinationals in the developed countries and stresses that their corporate investments gravitate toward other developed countries. At the same time it acknowledges the role of the multinationals in the development of the less-advanced countries while warning about their corporate impact on their societies and their national aspirations.

"Eight of the 10 largest multinational corporations are based in the United States," the report says.

"All in all, the United States

alone accounts for about a third of the total number of foreign affiliates, and together with the United Kingdom, the Federal Republic of Germany and France, it accounts for over three-quarters of the total . . . Of a total estimated stock of foreign investment of about \$165 billion, most of which is owned by multinational corporations, the United States accounts for more than half, and over four-fifths of the total is owned by four countries, the United States, the United Kingdom, France and the Federal Republic of Germany."

Developing countries, the report stated, have received only about a third of the total estimated stock of foreign direct investment.

A measure of the size of the corporations considered in the study is seen in the decision by the authors to ignore enterprises with less than \$100 million in sales. Included is a list of 211 corporations with sales totalling more than \$1 billion in 1971.

The study was clearly an outgrowth of charges of political interference in Chile by International Telephone and Telegraph, but it also had roots in a more pervasive concern that the multinationals were becoming laws unto themselves, answerable to no sovereign authority. Even in the United States, the report notes, such supporters of corporate activity as former Under Secretary of State George W. Ball have put forward ideas such as an international company law for chartering supranational corporations.

But in a masterpiece of understatement, the report noted "considerable resistance to a powerful supranational machinery, since a high degree of cohesion among independent nations is still lacking."

The report is particularly opaque about the alleged political activities of the multinational corporations. In the chapter titled "Impact and Tensions," the report discusses "the multinational corporation in international relations."

"Non-governmental bodies," the report stated, "can participate in international relations by influencing the policies and

actions of their own governments, or by influencing the policies and actions of foreign governments, either directly or through non-governmental entities in those countries. In the latter case they bypass their own governments, although the consequences may affect those governments' policies and actions. Furthermore, modern communications permit non-governmental entities to affect the environment in which international relations take place by influencing taste, values and attitudes . . . Multinational . . . corporations are often close to the centers of political power and can thus influence the affairs of nations."

This appears to mean that the giant corporations can make or break governments and can have a deep impact on economies, both in their countries of origin and in countries where they establish subsidiaries. In a less roundabout way, the report also states that home governments may use the giant corporations for the implementation of their foreign policy.

The activities of the multinational corporations and their impact on international finance, trade, politics and development, will be discussed by a panel called the "Group of Eminent Persons." A two-week meeting is scheduled to begin at the United Nations Sept. 4. Included among the participants are bankers, diplomats and politicians.

New York Republican Sen. Jacob K. Javits, sometimes known as the father of the United States' Overseas Private Investment Corporation, and J. Erwin Miller, chairman of Cummins Engine Company, Inc. will be the U.S. participants. Sicco Mansholt of the Netherlands, former president of the commission of the European Economic Community, Hans Schaffner of Switzerland, vice chairman of Sandoz pharmaceuticals, and a British professor, John Dunning of Reading University, an authority on multinational corporations, will represent the industrial nations.

From the less developed countries come Mohammad Sadli, head of Indonesia's Foreign Investment Board, and L. K. Jha, former governor of the Reserve Bank of India.

The Soviet Union is represented by I. D. Ivanov of the Soviet Institute for U.S. Studies. Emerik Blum of Yugoslavia, head of Energoinvest, which has been called the Communist bloc's only multinational conglomerate, is also on the panel.

At the September meetings representatives of some of the major multinational corporations like International Business Machines and General Motors, as well as labor union leaders, will deliver statements. Further meetings are scheduled for November in Geneva, and for March in New York.

Although the U.N. study suggests possible areas for international action it makes clear that individual countries or regional groupings can do much to harness the energies of multinational corporations in order to take advantage of the contributions they can make while controlling their power. Major areas for action, the report suggests, are in taxation and the transfer of funds.

The corporation, operating within several tax jurisdictions," the report stated, "can minimize its overall tax bill by establishing an artificial transfer price which will inflate the profits of subsidiaries located in countries where the tax burden is lowest and limit the profits earned in countries where taxes are higher." The report cites other methods resorted to by corporations to decrease taxes. It notes that individual countries—like the United States—are already attempting to get greater control over corporations for tax purposes but that shared data would help in the process.

The report also attributes to multinational corporations an important impact on the international monetary system, stating that "the recent currency crises have focused attention on 'hot money' movements." Although this has become accepted wisdom Deputy Under Secretary of Treasury for Monetary Affairs Jack F. Bennett said in a recent letter to Sen. Harry F. Byrd of Virginia that he had found no evidence that large U.S. corporations were to blame for the massive attack on the dollar in the world's currency markets at the beginning of this year.

# Far East

WASHINGTON POST  
12 August 1973

The

Secret

War

Of SOG

By Barry Lando

Lando is a Washington producer for the CBS news program, "60 Minutes."

FOR YEARS, ONE of the best-kept of the many secret operations of the Vietnam war was an organization with the inoffensive name of SOG: The Studies and Observation Group. Recently, in scattered newspaper stories, then with the Pentagon's admitting for the first time that Americans were killed in clandestine raids in Laos and Cambodia, finally with the testimony of former green berets before the Senate Armed Services Committee last week, some of the activities of SOG have begun to surface. The full scope of SOG's operations, however, may never be disclosed.

SOG was a formidable operation, at its height involving more than 1,000 American soldiers and almost 2,000 indigenous mercenaries. They ran almost daily raids into Laos and Cambodia, backed by helicopter gun ships, their own secret bases in South Vietnam, even a manned radio relay station inside Laos itself. At times they could call upon U.S. tactical air units in South Vietnam for help if they ran into trouble, and they frequently did. Official, U.S. protestations notwithstanding, SOG's operations were not simple exercises in trail watching and intelligence gathering, but often involved sabotage and bloody combat.

SOG was launched by a Democratic president, continued by a Republican. It first went into action Feb. 1, 1964, set up by Lyndon Johnson on the recommendation of then Secretary of Defense Robert McNamara. Its code name was Operation Plan 34A. According to the Pentagon Papers, as McNamara viewed the plan it would

"present a wide variety of sabotage and psychological operations against North Vietnam from which I believe we should aim to select those that provide maximum pressure with minimum risk." A faint administration hope was that by putting pressure on North Vietnam the United States would somehow convince Hanoi to get the Pathet Lao in Laos and the Vietcong in South Vietnam to back off.

During 1964, 34A teams of Americans and South Vietnamese conducted wide-ranging operations into and over North Vietnam: U-2 spy flights, sea raids on coastal installations, sabotaging bridges, kidnapping for intelligence purposes, and carrying out propaganda warfare.

An analyst quoted in the Pentagon Papers concluded that the 34A operation "carried with it an implicit symbolic and psychological intensification of the U.S. commitment. A firebreak had been crossed." The analyst also found that the 34A raids played a major role in provoking the 1964 clashes in the Tonkin Gulf.

#### SOG Extension

AS THE VIETNAM conflict expanded so did the SOG's operations, first into Laos around 1965, under the code name "Prairie Fire," then into Cambodia about 1967 as "Salem House," three years before President Nixon's solemn assurance that the U.S. had always respected Cambodian neutrality. "We weren't trying to spread the war," says a former SOG commander, "but to increase our defense capabilities in South Vietnam. The idea was to protect our flank, to put some eyes and ears where we didn't have them."

Support elements, such as medics and chopper pilots, came from other units, but most of SOG's American field troops were drawn from Special Forces. Informally, they devised their own emblem, based on the skull and crossbones, which they hung in the base bar and put on beer mugs. At their bases they continued to wear Special Forces' insignia and their green berets, but once assigned to SOG they were no longer under Special Forces command.

SOG operated as a special unit of MACV (Military Assistance Command, Vietnam), headquartered in Saigon, with some input from the CIA and the Department of State. Overall supervision, though, came from the Secretary of Defense through an office of the Joint Chiefs of Staff called "Counter-insurgency and Special Activities."

SOG's forces were split into three base camps, with about 150 Americans assigned to each camp: Banmethot and Kontum in the central highlands, Danang in the north. The field operations were given the cover name of Command and Control and, to an outsider, the camps looked like any of several green beret camps scattered throughout Vietnam.

The bulk of SOG's forces were native mercenaries, about 600 based at each camp. "They liked to work for

us," says a former SOG officer. "They weren't just mercenaries. They knew that if anything happened to them in action we'd bust our ass to take care of them. It wasn't like being with the regular troops."

"They were good soldiers — Montagnards, Cholon cowboys (the long-haired studs from Saigon), lots of Cambodians. Many of them became fine soldiers. The good ones were as good as any soldier anywhere. We trained with them for weeks at the base camps and those patrol units became as tight as brothers."

Usually the patrol teams were made up of six to eight native soldiers and two or three Americans. According to the former SOG commander, "If we didn't put Americans on those patrols we felt we really couldn't rely on the information we would get. But we didn't want to put in large numbers that might get all shot up."

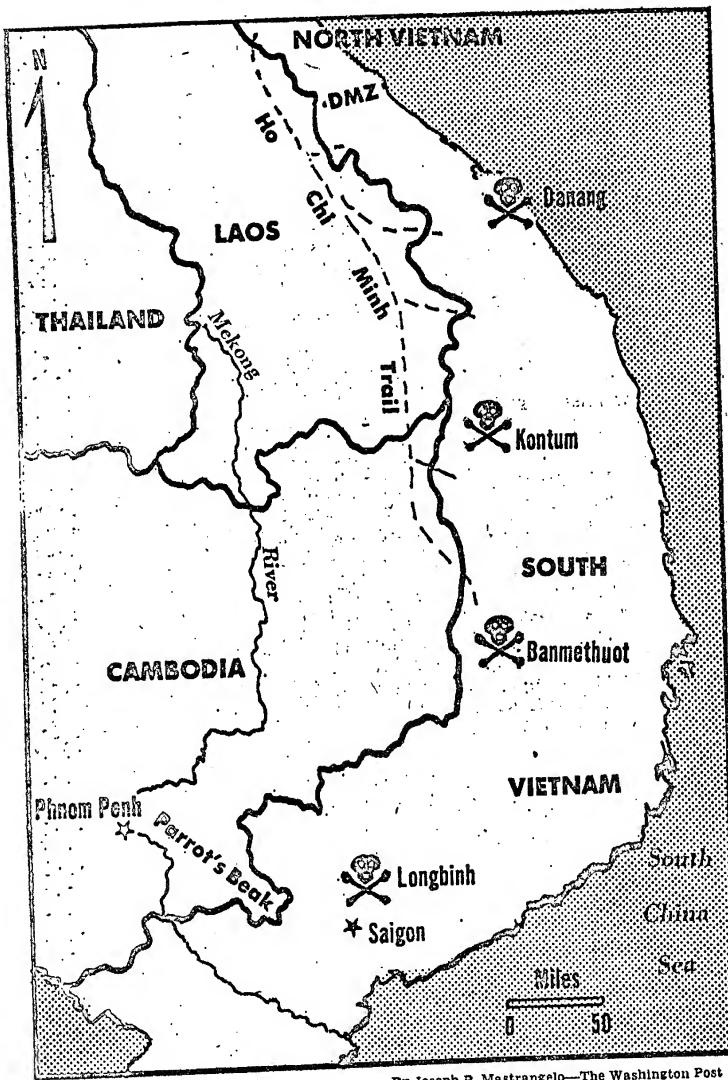
#### "Inserting" the Patrols

AFTER INTENSIVE TRAINING for the Americans at a secret camp near Longbinh outside Saigon, followed by more practice at the base camps, the patrols moved to SOG's forward operating bases near the Cambodian and Laotian borders. Only four or five patrols could operate from any of those bases at one time because they required an extensive force to be safely "inserted": two helicopters plus a backup to transport them, a minimum of two gunships to provide covering fire if they ran into trouble, a forward air controller and, often, a command-and-control chopper overseeing the operation. The patrols lasted about a week and there could be no resupply.

The men carried all their supplies, from spare radio batteries to Claymore mines and stripped-down mortars, on their backs. The choppers were unmarked and the men wore plain uniforms without any insignia. At times, a team would try to pass itself off as a North Vietnamese patrol, complete with full NVA uniforms and equipment. They were never able to figure out why, but almost invariably the disguise failed. The NVA troops would open fire as soon as they caught sight of the SOG team.

After "inserting" the patrol, the choppers would hover over the area for a few minutes, ready to sweep back in case of enemy ambush. Then they left. "When they had gone," says a former SOG officer, "you lived with constant mental strain. The fear never left you. It was worse than for anyone else in the war because of the isolation. Six or seven other men and yourself and no one else within 100 miles except the enemy."

Actually, the patrols usually operated up to 15 or 20 miles inside Laos and Cambodia, but not always. Some teams penetrated more than 100 miles on special missions. According to articles by Gerald Meyer of the St. Louis Post-Dispatch and confirmed by Special Forces veterans, SOG even established its own radio relay station, "Eagle's Nest," on a mountain peak 30 miles inside Laos. It was manned by



By Joseph P. Mastrangelo—The Washington Post

*Skull-and-crossbones insignia mark SOG's bases in Vietnam.*

SOG troops, regularly resupplied by helicopter.

The prime goal of SOG teams was gathering intelligence: checking potential bombing targets such as arms caches, truck parks and radio installations, tapping North Vietnamese army communications, placing sensors on the trails, which were then monitored from the air, calculating road and river traffic.

One of the best sources of information was considered to be enemy soldiers themselves. One POW was worth four or five days of leave to the patrol, with the indigenous soldiers getting a cash bonus besides. The problem, says a Special Forces officer, was to get the prisoners. "We'd try to grab the last guy in an NVA unit, ambush two guys as they went for water, but it was tough. For years we agonized over ways to take prisoners without losing them or bringing everything down on top of us. Those knock-out dart guns you see in the spy movies never seemed to work in practice. We'd wind up using a pistol or a grease gun with a silencer, aim for some non-vital part, and hope the guy wouldn't die before we got him out. Occasionally it worked; mostly it was just goddamned

difficult. Sometimes our successes came when an NVA soldier would accidentally stumble into our arms and would be just too damned surprised to react."

SOG's teams often went far beyond simply gathering intelligence. They would mine supply trails, attack small targets like radio installations or supply caches. "Usually you'd try not to initiate contacts," says the Special Forces officer, "but some guys got pretty gutsy. Three bikers coming down a trail: You toss out three grenades, search the bodies for weapons or documents. Some guys took on much bigger odds."

**Bloody the Enemy's Nose**

AT TIMES the small patrol teams were doubled in size to larger "Hatchet" operations, aggressively seeking enemy targets, armed with stripped-down mortars, machine guns, even flame throwers. Occasionally, they expanded to company-size SLAM—(Search Location and Annihilation Mission) of 200 men or more, full-blown combat operations. "The aim," says the former SOG commander, "was to bloody the enemy's nose."

If a patrol ran into enemy fire, it was frequently able to call in support not just from its own gunships but from regular tactical air squadrons operating in South Vietnam. The reports of those strikes, according to a former air liaison sergeant, were falsified to appear as strikes within South Vietnam.

SOG teams frequently were bloodied themselves. The Pentagon now admits that 102 Americans were killed during clandestine missions in Laos and Cambodia since 1967. That number may still go much higher. Because their numbers were greater, the indigenous SOG forces lost three or four times more men than did the Americans. No one talks about any Americans taken prisoners by the enemy during SOG operations.

Some of the sharpest actions were in 1967 in the Parrot's Beak area of Cambodia where NVA forces were heavily concentrated. Potential landing zones were constantly monitored by the enemy, then very much alert to SOG operations. "One favorite tactic the NVA had," says a former SOG officer, "was to wait until the patrol had unloaded and the choppers left the area. Then they ambushed the patrol and let loose on the choppers when they tried to get back in. At one point we were getting hit so often that we started blasting out our own LZ's, dropping a 500-pound bomb, then landing the patrol even before the dust had settled. Even then we'd still get hit."

Though very few congressmen were then aware of SOG or its operations, on Dec. 29, 1969, Congress passed a military appropriations bill with an amendment prohibiting the introduction of U.S. combat troops into Laos and Thailand. But SOG's operations continued.

"As far as we were concerned," says the former SOG officer, "those restrictions on combat troops never applied to us. We had been carrying out those missions for years. All the time the Communists were saying they had no men in Laos, no men in Cambodia. Okay, we were also saying we had no men there. But somehow we sure got into a hell of a lot of fighting."

**Another Cover**

AT A PRESS CONFERENCE Feb. 17, 1971, President Nixon affirmed that "we are not going to use ground forces in Laos" and "we are not going to use advisers in Laos with the South Vietnamese forces." Yet during last week's Senate Armed Services Committee hearings, former Special Forces Sgt. Thomas J. Marzullo said that "at the time the President said there were no Americans in Laos whatsoever we had two teams inserted on the ground."

When the Special Forces officially pulled out of Vietnam in the beginning of 1971, SOG found another cover for its operations. The name of its units was changed from Command and Control to Task Force One Advisory Element. The men removed all Special Forces insignia, switched their green berets for baseball hats, and kept on

patrolling.

In December, 1970, one year after the prohibition of ground combat troops in Laos, Congress passed a similar prohibition for Cambodia. But it was not until February, 1971, that Americans in SOG were told to restrict themselves to planning and sup-

port and leave the actual crossborder incursions to indigenous forces. That is, according to a Special Forces officer who claimed that SOG complied. Other men who served with SOG, though, claim that Americans continued to lead raids into Cambodia.

"SOG's operations officially came to a

halt in Vietnam when MACV shut down this February. "We had South Vietnamese counterparts," says the former SOG officer, "and they were supposed to be prepared to assume the operations. If anyone is doing anything like SOG anymore, SOG is not the name for it."

NEW YORK TIMES  
27 August 1973

## More Dirty Work

By Stuart H. Loory

COLUMBUS, Ohio—The revelation in recent days of clandestine cross-border operations by American ground troops in Cambodia, Laos and North Vietnam during the war reminds me once again that, somewhere in the United States, at least one Vietnam veteran has some important stories to tell.

I do not know his name. I have heard from him only once. He wrote to me from the San Diego area on Feb. 2, 1971 in response to an article I had written for The Los Angeles Times. My article detailed the planning and execution of the November 1970 raid on North Vietnam's Sontay Prison, the famous abortive attempt to rescue American P.O.W.'s from a site just a few miles from Hanoi.

The article exposed the bungled intelligence procedures used which meant that mission planners had no good information on whether Americans were actually kept at Sontay, whether, indeed, it was even a prison.

My anonymous correspondent expressed incredulity and he offered enough detail in his letter to make himself credible. His detail exposed the fact that for years the United States had actually been carrying the war in South Vietnam, with ground troops as well as bombers, right into the North Vietnamese heartland.

He spoke of an organization called "SOG," which, at the time, was unfamiliar to me. In recent weeks, SOG (Studies and Observation Group) has been revealed by articles in this newspaper and *The New Republic* as the military's own dirty tricks department.

"SOG can put a recon team into any place in North Vietnam, utilizing Vietnamese who were born and raised in the specific area," my correspondent said. "I know this is true because I

spent 23 months as head adviser to the waterborne element of SOG and helped plan and execute many such missions.

"It was not unusual on many missions of this unit to have a man killed or wounded in the same hamlet in which he had been born..."

The letter writer then continued with some specifics about how SOG men, who had been commanded for a time by the same Col. Arthur D. "Bull" Simons who led the attackers into Sontay, could have parachuted into the Sontay region, checked out the camp and radioed a one-word yes or no answer to the question of whether Americans were there. He told of special radios the unit used. He said the men were trained in HALO (high altitude, low opening) parachute jump techniques.

And then, on page three of his letter, he penned the sentence that has haunted me for the two and one-half years since I first read it. It was added parenthetically:

"SOG is not beyond sending in an armed chopper in a case like this and executing the scout/recon team by gunning them down on the LZ." LZ is military shorthand for landing zone.

If I read that sentence correctly, I was being told that once the American military had employed Vietnamese to do a difficult piece of dirty work, the commandos were rewarded with execution rather than rescue out of the feeling that dead men cannot, like recovered heroes, live to talk of their exploits and compromise future missions.

In other words, SOG disposed of its own Vietnamese like so many pieces of Kleenex. Even against the background of all the documented cruelty in the Vietnam war—the free-fire zones, the carpet bombing, the use of white phosphorus and other antipersonnel weapons, the tiger cages, the torture, the defoliation—the thought

that Americans were cynically executing their allies beggared the imagination.

The thought bespeaks an inhumanity that shames our country more than any Watergate, "plumbers" group or enemies list can.

My instincts have told me the contents of the letter are true. However, despite repeated efforts, I was never able to doublecheck and confirm the veracity. Because of the letter's implications, I have refrained from publishing the information. Now that other activities of SOG have been exposed, I am more convinced than ever of the letter's truth and importance.

My correspondent took me for a better reporter than I actually was. He concluded his letter this way:

"I could relate page after page of data on SOG but I feel you've probably heard much of it or similar stories. ... So take it from an old scout-swimmer and SOG alumni, Mr. Loory; somebody ain't telling it like it is."

Old scout-swimmer and SOG alumnus, wherever you are, if you should happen to read this, your page after page of data would be a welcome contribution to history. Come forward, please, as so many others have recently and help the American people find the way.

Stuart H. Loory, Kiplinger Professor of Public Affairs Reporting at Ohio State, is author of the forthcoming, "Defeated: Inside America's Military Machine."

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THE WASHINGTON POST

# Saigon Must Not Continue To Rely on Heavy U.S. Aid

By D. Gareth Porter

Porter is a research associate in Cornell University's International Relations of East Asia project. His monograph, "The Myth of the Bloodbath," published last year, challenged the administration's assumptions about the consequences of a communist victory in Vietnam.

**C**ONGRESS IS NOW considering an economic aid program for South Vietnam which would continue to maintain for an indefinite time what one high U.S. official has called the "client relationship" with the Saigon government of Nguyen Van Thieu.

The main purpose of the proposed aid program, which the administration has called a "reconstruction and development" program, is neither reconstruction nor development but the subsidization of Thieu's military-police apparatus. By not only arming and equipping that apparatus but also by paying for most of South Vietnam's budget and artificially maintaining levels of consumption, the United States still refuses to allow the Saigon government to stand or fall on the strength of its support among the Vietnamese people themselves.

The Thieu government remains today essentially a creation of American military intervention in Vietnam. For it is kept in power by a military and a paramilitary control apparatus which the South Vietnamese people never desired and would have been unwilling to finance themselves.

It was in fact the U.S. mission which imposed this political and economic monstrosity on South Vietnam. As the economic counselor to the U.S. embassy, Charles Cooper — the man credited with masterminding economic policy in Vietnam during the war — told me in a 1971 interview, "We've always been in the position here of pushing their expenditures up. We pushed them on pacification, on increasing the army, etc. . . . We were actually satisfying our own ideas . . . ."

As a result the South Vietnamese ground and air forces increased from 216,000 men in 1964 to 1.1 million in 1972; the police force increased from 20,000 men in 1964 to 120,000 in 1972. The official government budget increased from \$219 million in 1964 to \$856 million in 1972.

## Inflation or Taxes

**I**N ORDER TO FINANCE such a swollen apparatus of control, any independent state would have had to resort to runaway inflation or heavy taxes on the entire population, rich and poor. The taxes required to support this level of military spending

only could be raised successfully if the government in question had had reasonably solid support for its anti-Communist war effort — something which the Saigon government has manifestly lacked.

But the Saigon government had an alternative to uncontrolled inflation or burdensome taxation — which was to rely on the U.S. to pay for most of its budget and to prevent any significant drop in living standards by providing massive quantities of imported goods.

The main instrument for preserving the Thieu government's military and paramilitary apparatus while minimizing economic hardship is still the Commodity Import Program, under which the government receives letters of credit which it then sells to the Vietnamese importers for piasters. It uses these aid-generated piasters to pay its budgetary expenditures, and when the goods arrive in Vietnam, the customs taxes collected on them add additional resources for the budget. Meanwhile, Vietnamese are able to purchase imported goods which South Vietnam could not possibly afford with its own minimal foreign exchange reserves: gasoline and parts for motor bikes, fertilizer, cement, sugar and other foodstuffs.

In fiscal year 1974, the Nixon administration has requested \$275 million dollars for the Commodity Import Program and is adding a \$50 million "development loan" for imports which Thieu can also use to help pay for his military budget. This assistance is estimated by the Agency for International Development to represent roughly one-fourth the living standard of the average Vietnamese.

If the artificially maintained standard of living has neither made the Thieu regime popular nor silenced opposition to the war in the cities, it has nevertheless helped to keep urban discontent at a level which can be controlled through the massive use of police surveillance and terror. Millions of Vietnamese thus have been dissuaded from taking to the streets or to the jungles to overthrow the Saigon regime. There is no doubt in the minds of U.S. officials that Thieu's regime could not have survived the political turmoil which would have occurred without the U.S. subsidization of Saigon's state apparatus and economy.

## Gradual Reduction

**D**ESPITE ADMINISTRATION statements paying lip service to the objective of Saigon's economic independence, the official rationale accompanying the 1974 aid program for Indochina makes clear its intention to continue the client relationship with Saigon in-

definitely. Instead of offering a plan for the rapid elimination of American subsidization of the Thieu government the rationale suggests that the import subsidy can only be reduced "gradually" and that Saigon will "continue to require foreign assistance for the next few years to maintain the flow of goods needed for production, investment and consumption." It does not mention that this flow of goods is also necessary for Thieu to pay for his army and police force.

The army lives off foreign aid rather than relying on the support of its own people, and any attempt to reorient it economically, socially and politically away from the present American style of organization and operation would almost certainly end in disaster. Moreover, for Thieu to demobilize most of his 1.1 million-man army would mean relinquishing a convenient means of political control over them and, indirectly, over their families.

Equally important, the Saigon regime has shown little interest in making domestic taxation its main financial basis. For nearly 20 years, American largesse has encouraged Saigon to avoid the taxation of domestic wealth in order to gain more fully the support of those comprising the taxable population. As a result, taxation in Vietnam has been feeble on the one hand and regressive on the other.

The Saigon government has shown an aversion to direct taxation, which must constitute the backbone of any healthy fiscal system, and has focused its efforts instead on the taxation of soft drinks, beer and tobacco products, which fall more heavily on the poor than on the rich and which do not draw on the primary sources of wealth in the country. For many years, well over half the domestic taxes collected by the government came from only nine foreign-owned companies in Saigon which produced beer, soft drinks and tobacco. In 1972, direct taxes brought in only \$37 million — 4 percent of total income, including U.S. aid.

There are two simple reasons for Saigon's persistent refusal to tax the real wealth available to it. On the one hand, officials have always feared that such taxation would increase its unpopularity or lose the cooperation of those whose acceptance or support was crucial for pacification and political stability. On the other hand, the readiness of the United States to provide whatever revenues were not obtained through taxation provides a lack of incentive for maximizing tax collections and an incentive for officials to exploit the most lucrative sources of

wealth for their own benefit.

### Taxing Isn't Popular

THE GOVERNMENT, unable to appeal either to patriotic sentiment or a commonly shared vision of society, has implicitly admitted its own doubts about the legitimacy of the war effort in the eyes of the Vietnamese people in avoiding direct domestic taxation. When he was prime minister in 1969, Tran Van Huong declared, "If we levy more taxes, the government will be unpopular and the political situation here more unstable."

Willard Sharpe, chief of the economic analysis branch of AID in Saigon, explained fears of reduction in American Commodity Import funds in 1971 by saying, "I don't think the government feels it is strong enough to ask the people to pull in their belts. It's just not popular enough."

Between one-third and one-half of the private wealth of South Vietnam still lies in its agricultural production, primarily in the country's rice bowl, the Mekong Delta. American officials have been pointing to the new prosperity of commercialized farmers in the Delta, thanks to large inputs of fertilizer, new rice strains, and favorable rice prices. But Thieu's pacification strategy in the Delta has been based more or less implicitly on the idea that the government can give the farmers something for nothing, with the help of American generosity.

One of Saigon's bright young American-trained economists, who was then vice minister of agriculture, proudly asserted to me in 1971 that his government collected only a "very nominal tax" on land — less than 200 piasters, or 50 cents, on a hectare of land which brought an average of \$180 a year in income, or about one-third of 1 per cent of gross income.

"With our system," he pointed out, "the farmers themselves benefit from land reform. With the Vietcong program, the result is more revenue for the Vietcong." This was precisely the difference between a régime dependent on popular support for its military operations and one dependent on foreign support. As the American tax adviser in Saigon, Paul Maginnis, explained two years ago, "The national government is subsidizing villages and hamlets in order to purchase their loyalty instead of demanding money from them to finance the war effort."

### Subsidies Increase

WHILE THE GOVERNMENT collected a token 54 million piasters (\$242,000) in agricultural taxes in 1969, it was subsidizing the village budgets in the amount of 2.2 billion piasters (\$9.8 million), for both local government operations and village development projects. And while agricultural taxes rose to 3 billion piasters in 1972 (\$6.9 million), the subsidy increased even more, to 10.4 billion piasters (\$24 million). Whether or not the rural sec-

tor of the society will ever contribute more to the budget than it receives in subsidies is thus still open to question.

Political considerations also have kept Saigon from taxing fairly the unsalaried urban middle class which constitutes the most active segment of the U.S.-sponsored political system. The traditional policy toward this stratum has been summed up by one Vietnamese expert on taxation as, "Leave it alone as long as the circumstances permitted." The American budgetary subsidies thus far have provided just such circumstances: In February, 1971, President Thieu abruptly called off the work of special tax teams, which were trying to assess fairly the income of the professional and business class in Saigon, after it complained loudly through the press and its representatives in the national assembly. Later in 1971 the building containing Saigon's tax records was blown up. The teams were never revived.

The most important untapped source of wealth in Vietnam, however, are the profits which were generated by the war itself, which long has been the biggest industry by far in the country. Again, the U.S. subsidization of the budget not only encouraged Saigon to avoid taxing the war profiteers but gave officials an incentive to enter into collusion with them at the expense of the government's fiscal health. And more important than the bars, nightclubs, brothels, laundries and other enterprises, which were officially untaxed but generated large incomes for district and province chiefs, was the import business.

From 1965 to 1971, Vietnamese importers were making enormous profits because of the officially overvalued piaster in exchange for the dollar and the rationing of import licenses. In 1970 a secret government report which was obtained by the House Subcommittee on Foreign Operations estimated that these "windfall profits" were running as high as \$150 million per year. (An even more detailed study of windfall profits done in 1970 by Dr. Douglas Dacey of the Institute for Defense Analyses on a contract with AID, which carefully estimated the amount of windfall profits each year on the basis of official economic data, was suppressed by the agency before it could be published. Congressional efforts to obtain a copy have been systematically refused.)

### Revenues Affected

THESE UNEARNED PROFITS were all at the expense of revenues, since they would have remained in Saigon's treasury had the exchange rate kept up with the rate of inflation. Yet according to the Ministry of Finance, the government collected only 100 million piasters (\$250,000) in taxes on the 1969 incomes of those importers — an infinitesimal fraction of their illegitimate profits.

The failure of the government to get more tax revenues from war profiteers

was caused by the same situation which produced the windfall profits in the first place. Relieved of the necessity to squeeze every bit of revenue possible from the South Vietnamese economy, powerful officials turned the rigged import licensing and foreign exchange system to their own advantage instead of reforming it.

The officials who had power over the distribution of import licenses used it to extract from the recipients a private "tax" in return for the favor. According to business and financial sources in Saigon, including a former high Economics Ministry official who now is in the import business and a Japanese businessman with 7 years' experience in Vietnam as of 1971, importers had to pay 3 per cent of the total value of the license, or 10 piasters on every dollar of goods imported, to the minister of economics, Pham Kim Ngoc, who became known in Saigon circles as "Mister 3 Per Cent." Ngoc was assumed to have divided "taxes" with other top officials of the Thieu régime. The 3 per cent rakeoff, if applied to the total volume of imports, would have netted \$23 million in 1970, or 92 times the amount collected from them in the form of income taxes.

Although the threat of drastic reductions in U.S. subsidies to Vietnam finally moved the U.S. mission to insist on an end to the system of overvalued currency and tight controls over licenses, the system had already allowed importers to accumulate hundreds of millions of dollars, virtually none of which ever was used for the budget. The increased but still modest amounts in income tax collection in 1972 from nonsalaried individuals (\$7.5 million) and corporations (\$19 million) do not begin to scratch the surface of this wealth.

Ending the Commodity Import Program would have the effect of making the government dependent on the support of the South Vietnamese people for the first time in its history. It would then be up to the Vietnamese people themselves (as it should have been all along) to decide whether or how much they are willing to sacrifice in order to maintain the present military and paramilitary apparatus.

To the extent that the population, wealthy or poor, wishes to see the Saigon government survive, they can contribute their share through direct taxes, which Saigon unquestionably has the physical capability to collect. If the government cannot obtain the resources to support the present level of military spending through this means, it will have to reduce its expenditures to the level that it can support.

In any case, the United States no longer should be in the position of artificially maintaining a political and military structure through its assumption of the bulk of its budgetary expenditures and the subsidization of consumption levels.

# Those Papers That Survive in Saigon Are Subdued by Thieu's Harsh Curses

By JAMES M. MARKHAM

Special to The New York Times

SAIGON, South Vietnam, Aug. 20 — With the firm application of financial and political pressures, the Government of President Nguyen Van Thieu has tamed Saigon's once outspoken and contentious press.

Newspapers that more than a year ago got away with scalding commentaries and irreverent cartoons — a huge, hairy-handed Richard Nixon, for example, holding a diminutive President Nguyen Van Thieu and his people to slaughter on the battlefield — are now censored or seized for publishing a vest-pocket biography of Leonid I. Brezhnev, the Soviet Communist party leader, or the declaration of South Vietnamese neutralism.

"Freedom of the press does not exist in Vietnam," declared Vo Long Trieu, a member of Parliament who publishes *Dai-Dam Toc* (The Great People), one of perhaps two newspapers that can be called anti-Government.

"Every day the Government can seize any paper for any reason it likes," Mr. Trieu said in an interview. "And the reason it gives may have nothing to do with why it orders a confiscation."

Some of Mr. Trieu's colleagues disagree slightly. Freedom of the press, they say, has not been entirely extinguished in South Vietnam; journalists have been less political, elbow room in South Korea, the Philippines and Taiwan — not to mention North Vietnam. However, after subjecting it,

self to a brief period of uninhibited criticism in the press, the Thieu Government has cracked down on journalists and successfully narrowed the limits of acceptable opinion to its own variety of unwavering antiCommunism and antineutralism.

Today no one questions the actions of Government policy. No one criticizes President Thieu or any of his generals, unless these have fallen into disgrace; colonels and province chiefs may occasionally be criticized, if their identities are thinly disguised or if their corruptions are particularly flagrant. Cabinet ministers are generally immune from criticism, but civil servants are not.

Officially, the Government is still constrained by the rather liberal law of December, 1969, that declares press freedom to be "a fundamental right" and says flatly that "censorship is prohibited."

The law ushered in a period of press freedom, but late in 1971 Mr. Thieu began his crackdown.

Then on Aug. 4, 1972, the President, buttressed with special powers assumed during the Communists' spring offensive, promulgated Decree Law 007, which established a system of censorship and required newspapers to make deposits of 20 million piasters (\$40,000 at the present rate) to guarantee the payment of any fines and court costs.

At the time of the decree, Saigon, which is the country's only newspaper town, had 42 dailies — many of them on the brink of insolvency.

Today it has 28 — 16 in the Vietnamese language and 10 in

Chinese, the English-language Saigon Post, which was founded in 1963 as America's commitment here deepened, and the French-language *Courrier d'Extreme-Orient* which caters to French expatriates and members of the Vietnamese élite who consider Paris their second home.

The printing run of all Saigon's papers is thought to be about 300,000 copies but only 200,000 are said to be sold — about half in Saigon and the rest in South Vietnam's other major cities.

Among the victims of the deposit requirement — and the generally deteriorating South Vietnamese economy — were several independent papers and the capital's most popular opposition daily, *Tin Sang* (Morning News).

The 1972 decree gave enormous powers to the Minister of the Interior, who can order the seizure and even the temporary suspension of newspapers that violate "national security" or "sow dissension."

Military courts are empowered to try national security cases and can impose sentences of up to three years and fines of up to 5 million piasters (\$10,000). For the most part, the Government has relied on fines to subdue the press.

Finally, the newspapers must submit copies to the Ministries of Information and Interior four hours before publication. As a result, almost all Vietnamese papers reach the stands late in the afternoon — often after discreet "unofficial" calls have produced white spaces containing the words "voluntarily withdrawn."

"Vietnam is still at war, so we must maintain certain necessary restrictions," observed Tran Huu Triet, the 30-year-old chief of the Information Ministry's Department for Coordination of the Press and the Arts. Mr. Triet, however, insisted in an interview that censorship does not exist in Vietnam.

Mr. Triet is ultimately responsible to his relative by marriage, Hoang Duc Nha, one of the President's closest advisers and the man who prepares Mr. Thieu's daily press digest. Mr. Thieu is said to be an avid newspaper reader himself and often pores over the papers, even reading the classified ads. If Mr. Nha finds an article — or several articles in one paper — particularly offensive, orders are given to the Ministry of the Interior for it to be seized. If the offense is slight, a telephone call, and a white space, suffice.

The one publicist who has totally resisted the Government's censorship efforts, the Rev. Chan Tin, a liberal Roman Catholic priest, was temporarily put out of business last week when the police raided his clandestine printing press and arrested 35 people — "among them 10 deserters," according to an official statement.

Father Tin, who has championed the cause of political prisoners held by the Saigon Government, was sentenced by a military court last October to five years in solitary confinement for continuing to publish his leftist monthly, *Doi Dien* (Face-to-Face).

After that the publication went underground, but the sentence against Father Tin, who enjoys the tacit protection of the church, has not been carried out.

In an interview, the jolly, round-faced priest hinted that the recent raid would not put an end to *Doi Dien*.

"There are lots of printing presses," he said. "At the time of the French invasion of Vietnam, our ancestors printed tracts on palm leaves."

WASHINGTON STAR  
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## CIA Ends Laos Operations

By Tammy Arbuckle  
Star-News Special Correspondent

VIENTIANE — American-backed operations by Cambodians operating from Lao soil have been completely terminated and all Cambodians involved in these operations have been returned to Cambodia, well informed sources say.

These operations were carried out by Cambodian troops based on an island close to the Cambodian border in South Laos.

Intelligence and harassment teams were inserted into Northern Cambodia in the Se Khong River area

north of Stung Treng and around the North Cambodian town of Siem Pang.

American aircraft were used for these insertions from contract airlines such as Continental.

**OPERATIONS WERE** under the control of Lon Nol's departed brother Lon Non and run from the South Lao town of Pakse by Cambodian army Col. Lim Sisowath. The operation was funded by the Central Intelligence agency but Americans who were dissatisfied with lack of results broke off from it about six weeks ago.

The Cambodian teams were failing to reach their objectives. Usually they were spotted by insurgent sentries hidden in treetops who scanned the flat, thinly-forested terrain.

The operation received its death blow when Premier Souvanna Phouma ordered it stopped and all Cambodians involved to leave Lao soil. Possibly this was to

avoid any Cambodian involvements which could ruin Lao negotiations with the Communists.

A LAO AIR Force DC3 transport landed in Khong in late July and all Cambodians were sent to Phnom Penh, although some tried to hide from Lao authorities, well informed sources said.